GOVERNMENT OF INDIA

General Budget, 1961-62
(28th February, 1961)

List of documents
(ENGLISH)

1.	Finance Minister's Speech—Part A.
2.	Finance Minister's Speech—Part B.
3.	Budget of the Central Government.
4.	Economic Survey, 1960-61.
5.	Explanatory Memorandum on the Budget.
6.	Finance Bill,1961.
7.	Memorandum Explaining the Provisions in the Finance Bill.
8.	Summary of Demands for Grants.
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GOVERNMENT OF INDIA

BUDGET, 1961-62

FINANCE MINISTER'S SPEECH

(Part A)

Budget, 1961-62

Finance Minister's Speech
28th February, 1961

Sir,

I rise to present the statement of the estimated receipts and expenditure of the Government of India for the year 1961-62.

2. With the close of the current year, we shall be completing a decade of planned development and we shall be launching on the Third Five Year Plan. Honourable Members will, I am sure, agree that the last 10 years have been a period of striking development in almost all sectors of the economy. Large investments have been made in agriculture, irrigation and power, major as well as medium, and small industries, transport and social services. We are perhaps too near these events to be able to assess their full impact or significance. I venture to think that despite various difficulties, we have succeeded in creating a new dynamism in the economy. The public sector has gone forward and has taken on tasks which were entirely new. The private sector also has advanced considerably. All over the country—in the cities and in the towns as also in rural areas—one sees the beginnings of new developments in various directions.

3. The First Five Year Plan was a relatively modest effort, both in its scope and its dimensions. Though the Plan was fulfilled satisfactorily, it became clearer, even as we were proceeding with it, that unless we accelerated the tempo of development, it would not be possible to lift our people out of poverty.

4. The Second Five Year Plan was, in consequence, a bolder and more ambitious one. It aimed at larger increases in production, investment and employment. It was conceived in terms of a

long-term strategy of development. Our objective is to develop in the country, at as early a date as possible machine-building capacity on a scale which would enable our development to proceed without dependence on the import of capital goods. To achieve this, progress has to be made over a wide field —in the production of metals, particularly iron and steel, in the establishment of plants intended to produce heavy machinery, as well as in the development of the necessary techniques and skills. Even while we are proceeding with the development of machine-building capacity, we have to strengthen the agricultural base and to provide for the other basic needs of our growing population.

5. Honourable Members are aware that in the course of the implementation of the Second Five Year Plan, we were confronted with major difficulties in regard to resources, particularly external resources. It became necessary for us to make certain adjustments in the Plan and to confine our attention primarily to the fulfilment of what came to be described as the 'core' of the Second Five Year Plan. The target of outlay in the public sector was cut down from Rs.4,800 crores to Rs.4,500 crores. As the Second Five Year Plan draws to a close, we expect to exceed the revised target and to attain an outlay of Rs.4,600 crores.

6. As a result of this effort at developmental planning over the last 10 years, industrial production has increased by about 66 per cent and agricultural production has gone up by about 33 per cent. We have added substantially to the installed capacity for steel and for a number of engineering industries including machine-making. The chemical industries have also grown rapidly. At the same time, we have greatly strengthened the basic services and amenities such as fuel, power, transport and irrigation which provide the foundation for rapid economic growth.

7. During the Second Plan, the total additional taxation has been of the order of Rs. 1040 crores of which nearly Rs. 800 crores were at the Centre. The resources arranged by mobilisation of private savings, mainly through loans, small savings and provident funds have yielded about Rs. 1,400 crores and the extent of deficit financing during the Plan period is expected to be about Rs. 1100 crores as compared to Rs. 1200 crores originally envisaged. This is satisfactory as far as it goes. We are now embarking on a bigger

Plan and we shall have to make a greater effort to direct our resources through channels which lead to greater development and progress.

8. The Third Plan in its final shape is expected to emerge shortly. The House will have ample opportunity to discuss it in due course. I shall, therefore, dwell only on some of its salient features and what it means in terms of the problem of providing adequate resources for it. At the last meeting of the National Development Council, we were confronted with a very difficult choice. On the one hand, our best estimates of resources that we could hope to mobilise lead us to the conclusion that outlays in the Plan should be limited to Rs. 7500 crores. On the other hand, the programmes for which there was necessity and readiness to proceed added up to a higher figure. The Council has decided that for the purposes of physical planning, programmes with a ceiling of Rs. 8,000 crores should be prepared but the financial limit of Rs. 7,500 crores must be adhered to. The fact that we shall have larger programmes worked out will enable us to start on their execution as soon as resources are in sight. At the same time, we cannot and must not take on commitments beyond our resources. Throughout the Third Plan we shall have to be careful to see that reliance on what is popularly described as deficit financing is strictly limited. The size of the Plan, in other words, will depend upon our tax effort and our ability to mobilise savings. No one would be happier than I if we are in fact in a position to raise resources to a higher figure than the target of Rs. 7500 crores.

9. Our estimate of resources for the Third Plan postulates that the surpluses of various public enterprises should be available for financing the Plan. Besides Railways for which there are separate arrangements, Government have in the last decade invested large sums in various industrial undertakings in the public sector. It is of basic importance that these enterprises should function on sound commercial principles and should make adequate profits which can be ploughed back into further investments.

10. Apart from the limitations regarding internal finance, we have to bear in mind the crucial significance of external finance or foreign exchange in our planning. The requirements of external assistance for the next five years as envisaged in the Draft Outline

are of a very substantial order and we do not propose to exceed this limit. It is essential, in this context, that we should reduce expenditure of foreign exchange in every conceivable direction and step up the level of exports. In the detailed phasing of the Plan, we shall have to ensure that the foreign exchange gap in terms of actual outgoings during the Third Plan, which we expect to fill by external aid, does not exceed the estimates set out in the Draft Outline.

11. Developmental activities of this magnitude, with all the limitations which we face, are not an easy task. They call for sacrifices. They necessitate a willingness to go without many things. They involve a restraint on consumption in order that more resources are available for investment. The degree of hardship which this development entails can be alleviated to some extent by external aid. Such aid has been available to us from friendly countries in the Second Plan period and has enabled us to make substantial progress with our 'core' projects, in spite of the acute position in regard to foreign exchange with which we were faced in the middle of the Plan. I am grateful to all those who have helped us. But ultimately it is through our own efforts and our own sacrifices that we can build our future.

Review of Economic Conditions

12. Following the usual practice, I now propose to review briefly the economic conditions in the country during the current year. The detailed assessment of the emerging economic trends has been made in the Economic Survey which has been circulated along with the Budget papers. The Survey also draws attention in broad terms to the considerations and objectives which should guide our fiscal and monetary policies during the coming year. I shall not, therefore, go into the details of the economic situation but shall confine my remarks to the salient features of 1960-61.

13. During the year, the economy advanced in several respects. Investment, both public and private, was at a high level and the upward trend in industrial production was accelerated. The agricultural season of 1959-60 was, however, not so favourable. This reduced the domestic availability of foodgrains and raw

materials. To an extent, the shortage was met through additional imports. Nevertheless, there was a significant rise in the prices of agricultural raw materials as well as in the overall level of whole-sale prices. The outlook in respect of agricultural and industrial production in the coming year is, however, distinctly better. There is every hope that the upward trend in industrial production will be maintained.

Production

14. Agricultural production in 1959-60 did not come up to our original expectations owing mainly to adverse climatic conditions. Food production at about 72 million tons was about 5 per cent less than in the previous year. There was also a substantial decline in the output of cotton, raw jute and oilseeds. Sugarcane, however, recorded a welcome increase of 6.6 per cent.

15. For the current agricultural year, the prospects are better. The Kharif crop is expected to be as good as, if not better than the excellent crop of 1958-59, and Rabi sowings have also been satisfactory. The output of cotton this year will also be substantially larger than last year. A further increase in sugarcane production is expected. For jute and oilseeds, however, the outlook is not equally promising.

16. Industrial production in the first ten months of 1960 showed an increase of 11.5 per cent over the corresponding period of 1959. The rate of increase is the highest we have achieved so far. The increase has occurred in almost all industries and it is gratifying that it has been relatively larger in the case of intermediate products and capital goods. Marked increases occurred in iron ore, iron and steel, industrial machinery, paper and paper board, chemicals, cement, general and electrical engineering goods and transport equipment. The output of mill cloth—about 5000 million yards—was also slightly higher than in 1959, in spite of the shortage of supplies of Indian cotton.

17. There has been a substantial addition to production capacity in a number of important industries. Industrial activity in the

country is getting diversified, and I am particularly happy to find that a large number of small and medium enterprises is coming up to establish new lines of production and to expand the existing ones. As the House is aware, legislation was undertaken to facilitate the introduction of a scheme of credit guarantee in respect of loans from commercial banks to small scale units under the aegis of the Reserve Bank of India. The scheme is making good progress and about 300 applications have been sanctioned during the last 7 months.

18. The expansion programme of the two steel works in the private sector has been practically completed. The three public sector steel plants have made steady progress and the next few months will see the commissioning of all the blast furnaces, steel melting shops and rolling mills in these plants. The production of finished steel in 1960 was about 2.2 million tons and it is expected to reach 3.5 million tons in 1961. The steel expansion programme, together with the development of mining and transport constitutes the sinews of our industrial development and has been given a very high priority in our Third Plan.

19. The production of coal in 1960 was about 51 million tons as compared to 47 million tons in 1959. Most of the new mines in the public sector are now in production. The Oil and Natural Gas Commission has continued its search for oil in Jwalamukhi and Hoshiarpur areas in the Punjab, in Cambay and Ankleshwar areas in Gujarat and in the Rudrasagar areas in Assam. On the basis of the results of exploration in Gujarat, it has been decided to set up a large refinery, which will be financed from the recent Soviet credit.

20. A notable new field of development, the foundations of which were laid in the Second Plan and which will receive special emphasis in the Third Plan, is machine-building. The first phase of the Heavy Electrical Project at Bhopal has already been completed and orders are now being placed for its second phase by utilising British credit. Other projects in the field of heavy machinery, which will be completed during the Third Five Year Plan, include the Heavy Machinery Plant at Ranchi, the Mining Machinery Plant at Durgapur, both of which are being financed out of Soviet credits, as well as the Foundry Forge which is being set up with

Czechoslovak collaboration. The Hindustan Machine Tools Factory at Bangalore has already attained a higher level of production than was originally envisaged and is now engaged in a programme of expansion. Development in machine-building capacity in the private sector is also proceeding at a satisfactory pace and considerable progress has been made with the manufacture of the plant and machinery required by the sugar, paper and cement industries.

Monetary Trends

21. During the year, money supply with the public increased by Rs.219 crores as compared to an increase of Rs.171 crores in 1959. A major factor in this expansion was bank credit. Government's indebtedness to the banking system increased much less than in the previous year. The expansionary effect of these developments was countered to a small extent by a decline in the foreign assets of the Reserve Bank.

22. The deposits of scheduled banks rose in 1960 by Rs.65 crores as compared to Rs.254 crores in the previous year. This large reduction is due in the main to the revised procedure regarding the placement of rupee counterpart funds arising out of P.L. 480 imports. These amounts were, until last year, deposited with the State Bank of India which used to invest them along with their other funds in Treasury Bills or dated Government securities. This arrangement gave a somewhat distorted picture of the volume of deposits in scheduled banks and their investments in Government securities. It was accordingly decided, in consultation with the American authorities, that these moneys would, with effect from the 12th May 1960, be deposited directly with the Reserve Bank of India who would invest them in special securities of the Government of India. Further it has been arranged that from July 1960, for a limited period, the past accumulations with the State Bank of India would be transferred to Government in monthly instalments of Rs.12 crores. Even after making allowance for the effect of these revised arrangements, the rise in bank deposits in 1960 was somewhat smaller than in 1959.

23. The expansion of bank credit by the scheduled banks was on the other hand much larger—more than twice the expansion in

1959. In consequence, the credit-deposit ratio went up from 53 per cent at the end of 1959 to 62 per cent at the end of 1960. If P.L. 480 deposits are excluded, the ratio works out to 72 per cent in December 1960 as compared to 63 per cent a year ago. This strain on the resources of commercial banks has resulted in an increase in their borrowings from the Reserve Bank despite a decline in gilt-edged securities in their portfolios.

24. The upward trend in equity prices noticed since 1958 gathered further momentum and a speculative boom developed about the middle of the year. The index of prices of variable dividend securities moved up by about 14 per cent in the course of the first seven months of 1960. Commodity markets were also buoyant. With a view to check these speculative trends the Reserve Bank introduced several measures designed to restrain the total amount of credit creation. The bank rate remained unchanged but penal rates were imposed on borrowings by banks above certain limits. There is no doubt that while the banks must endeavour to meet the legitimate needs of production and trade, every care must be taken to prevent excessive credit creation. There has been a break in share values since July 1960 partly as a result of the tightening of credit, partly in consequence of the steps taken by the stock exchanges themselves by adjusting their margin requirements, and partly through some changes in the working policies of the capital issues control. The index of variable dividend securities which had risen to 182 by the end of July 1960 stood at 165 about the end of the year.

25. In passing I might also refer to the Refinance Corporation which was set up in 1958 to assist banks in financing medium-sized industries. We have during recent months substantially enlarged the scope of its operations by extending the facilities to a larger number of banks as also to State Finance Corporations and selected State Co-operative Banks, increasing the period of loans from 7 to 10 years, where necessary, and giving a larger discretion to the Corporation in regard to the industries to be assisted. These modifications, helped possibly by the stringency of funds, have resulted in an increase in the loans disbursed from Rs. 85 lakhs in 1959 to Rs. 141 lakhs in 1960, while the loans advanced in the month of January 1961 exceeded Rs. 70 lakhs.

26. The banking sector has a very important role to play in the mobilisation and husbanding of resources for our developmental plans and Government are therefore vitally interested in its health and vitality. The House is aware of the steps that we have taken to safeguard the interests of depositors including the powers to facilitate reconstruction or amalgamation of banks. Recently, we have promulgated an Ordinance to remove certain difficulties experienced in their reconstruction or amalgamation with other banks and to permit amalgamation under the Banking Companies Act with the State Bank of India. These measures will help to strengthen some of the more vulnerable units of the Indian banking system, which, I am convinced, is basically strong and sound. Government are determined to take whatever steps may be necessary for the efficient management of banks and for protecting the interests of the depositors.

Prices

27. The index of whole-sale prices which was 117.9 at the end of 1959 rose to a peak of 127.4 by the middle of October 1960, but declined to 124.3 at the end of the year. The average for 1960 works out at 6.5 per cent higher than for 1959, the rise in respect of industrial raw materials, mainly oil seeds, raw cotton and raw jute, being 18 per cent, and in manufactures 11 per cent. Rice prices rose by about 7 per cent, while wheat prices declined by 11 per cent, the index of foodgrains, taken as a group, has shown a small fall. We have been keeping a continuous watch over the trend of prices and in the case of specific commodities, such as, cotton, jute and groundnuts taken suitable steps like the introduction of quota system and the enforcement of credit restrictions supplemented by the tightening of margins in the commodity markets. Towards the end of 1960, the price index of rice, however, fell significantly. There was a seasonal rise in the index in the month of January which at the end of the month stood at 126.2 as compared to 119.2 at the end of January last year. The working class cost of living index has shown only a small increase, the index being 124 for December, 1960 as compared to 122 a year earlier.

28. The rising trend in prices has persisted almost throughout the Second Plan. Some price increases are inevitable in a de-

veloping economy. It should, however, be our aim to ensure that in the period of the Third Plan, the prices of the essential goods that enter into the common man's budget remain relatively stable. The Plan has been drawn up with due regard to this objective. A substantial increase in food production is the foundation on which the Plan rests, and I should like to take this opportunity of appealing both to our farmers and to the official and non-official agencies concerned with development in the rural areas to concentrate their effort on achieving the target of 100 million tons set out in the Draft Outline of the Plan.

29. Government have in hand sizable stocks of foodgrains amounting to 2.5 million tons, and, thanks to the agreement in respect of P. L. 480 imports signed last year with the United States, they also have an assurance of further supplies in the coming years. While this second string to our bow is essential as well as welcome, it should be regarded primarily as a stand-by to get over the bottlenecks which have impeded us in the past in achieving our targets of increased agricultural production.

Balance of Payments

30. The balance of payments situation during 1960-61, the last year of the Second Five Year Plan, took a turn for the worse. The Sterling assets held by the Reserve Bank of India on the 17th February, 1961 were Rs. 157 crores which are Rs. 46 crores lower than at this time last year. A part of this decline is attributable to the repayment of the stand-by credit from the International Monetary Fund amounting to about Rs. 11 crores. This repayment increases our borrowing capacity from the Fund and is not therefore a matter of concern. Apart from this, however, there has been a substantial fall in our balances on other accounts, a detailed analysis of which is set out in the Economic Survey.

31. The decline which has taken place in our foreign exchange reserves during the current financial year gives cause for reflection and concern. First of all, it underlines the importance of stepping up our export promotion efforts. This is not an easy task in a developing economy where the standards of living are as low as they are in India. But an increase in our export earnings is

vital to the success of our Plan. One of the weaknesses from which our industrial economy suffers is that, with the exception of a few industries like jute, cotton textiles and tea, most industries look to the vast domestic market and do not exert themselves to sell abroad, Considering that the supply of raw materials, components, spare parts and other essentials for our industries constitutes such an important element in expenditure of foreign exchange, it is essential that every industry which depends on imports should endeavour to earn at least part of the foreign exchange it spends by selling its products abroad. Greater attention to this consideration will have to be paid in the future. Government, for its part, will stand ready to help export industries in every way—by more liberal treatment in the matter of foreign exchange allocations, by speedy refund of internal taxes and duties levied on such products as are exported and in other ways.

32. We shall have to be even more careful about expenditure of foreign exchange. There has been a considerable tightening of import control restrictions. There are, however, various other ways in which foreign exchange is spent. One of these is expenditure on travelling abroad for one reason or another. It has been necessary to tighten allocations of foreign exchange for educational purposes by weeding out some of the less beneficial courses of study abroad. For other purposes too a stricter policy is being followed. There is a significant number of persons who, it appears, go abroad without any release of foreign exchange from the Reserve Bank but who are able to provide themselves with funds by various other devices. It is not my intention, at this stage, to place a ban on travelling abroad by people who have not received an allocation of foreign exchange, because there are quite a number of people who genuinely go as guests, on scholarships, and through other legitimate means. At the same time, the House will agree that we cannot allow the existing state of affairs to continue. I, therefore, propose shortly to provide for the submission by persons going abroad of a form containing information about the manner in which they are finding the foreign exchange for themselves. Cases of a doubtful nature will, where the facts warrant, be further pursued.

33. Our efforts to promote exports and to save on imports will not, however, by themselves, solve our foreign exchange problem.

The ultimate solution can only be found through the efforts we are making to develop the country industrially and economically. While we are engaged in this process, we shall need massive external aid. We had started our Second Five Year Plan with our sterling balances around Rs. 746 crores. We are now embarking on a bigger Plan with our reserves at a much lower level. In doing so we are appreciative of the fact that in the world outside there is now a general recognition of the need to help us in our developmental effort and there is an acceptance of the position that our aim is to achieve a rate of progress which cannot, in any sense, be said to be over-ambitious.

Foreign Assistance

34. During the year 1960 the World Bank sanctioned two loans—Rs. 33 crores for the development of our Railways and Rs. 10 crores for the Industrial Credit and Investment Corporation of India. The U.S. Development Loan Fund granted loans amounting to Rs. 107 crores for various power projects and for the construction of a fertiliser plant at Trombay. The U.S. Export-Import Bank extended a second credit of Rs. 24 crores. The United Kingdom Government sanctioned two loans totalling Rs. 20 crores to pay for capital goods purchased in that country. Of the $ 100 million aid promised by the West German Government in 1958, $ 40 million were authorised in 1959 and the balance of $ 60 million in 1960. Among the other loans and credits negotiated during the year were Rs. 14 crores by Poland, Rs. 11 crores by Switzerland and Rs. 19 crores by Yugoslavia.

35. The third meeting of the consortium of the countries helping India was convened by the World Bank in September 1960 in Paris, chiefly for making a preliminary assessment of our requirements for the Third Plan. Following this meeting, the U.K. Government have offered a sum of Rs. 67 crores as initial assistance for our Third Plan and the Government of West Germany have agreed to our placing orders in that country up to Rs. 28 crores, besides consenting to the postponement of a major portion of the repayments falling due in the current and the next year on account of the loan for the Rourkela Project. The House will recall that in 1959 the Government of U.S.S.R. had agreed to make available an amount of Rs. 179 crores as an initial credit towards their collaboration in the Third Plan

Projects. This has been supplemented by the offer of an additional credit of about Rs.60 crores for which an agreement was signed last week.

36. The Commodities Agreement under P. L. 480 of the value of Rs. 636 crores signed with the United States in May last provides for the import of 18 million tons of wheat, 1 million tons of rice and also certain quantities of maize, milo, cotton, tobacco and soyabean oil. The foodgrains imported under this agreement will enable us to build up sizable reserves. The total value of commodities covered by the agreements so far signed under P. L. 480 amounts to a little over Rs. 1096 crores.

37. We continued to receive assistance from the Colombo Plan countries, the grants of Canada both for projects and in the shape of key commodities like non-ferrous metals deserving special mention. We were also helped by assistance from the United Nations and its specialised agencies and from the Ford and Rockefeller Foundations. While we have been receiving aid from the more advanced countries, we have, for our part, been ready and willing, within the limit of our resources, to help other countries by providing training facilities and services of experts under the Technical Co-operation Scheme of Colombo Plan as well as in other ways. The aid to Nepal during the current and next year would amount to Rs. 6 crores. In addition, we have continued to assist our neighbours, Sikkim and Bhutan in in their development plans.

38, In the five years of the Second Plan period, the total foreign loans and credits covered by formal loan agreements are of the order Rs. 1517 crores of which Rs. 1387 crores are on Government account, including the carry over of unspent balance from the First Plan amounting to Rs. 87 crores. The total utilisations during the Second Plan period are estimated at Rs. 752 crores, leaving an unspent balance of Rs. 722 crores to be carried forward to the next Plan. Of this balance, Rs. 329 crores are for credits which are intended for financing the projects included in the Third Plan.

39. We have been receiving aid from friendly countries throughout the Second Five Year Plan. I should like, at this juncture, to pay a special tribute to the role of the International Bank for Reconstruction

and Development under the leadership of its President, Mr. Eugene Black, in organising meetings of a consortium of countries who have jointly been discussing the question of aid to India in a friendly and constructive spirit.

Finance Commission

40. As Honourable Members are aware, the award of the Second Finance Commission for the devolution of resources from the Centre to the States covers the five years ending 1961-62. The Second Finance Commission had, however, experienced considerable difficulties in assessing the requirements of the State Governments as the period covered by their recommendations extends over both the Second and Third Plans. They had therefore recommended that the period of the Finance Commission's award should, in future, be made to coincide with that of the Plan. The Third Finance Commission was, accordingly, constituted in December last and it has been requested to give its recommendations for the four years from 1962-63 to 1965-66. As on the previous occasions the Commission will, in addition to making recommendations on the sharing of Taxes on Income and Union Excises, advise on the grants to be paid to the States which are in need of assistance, keeping in view the requirements of the Third Plan and the efforts expected of them to raise additional revenues. The Commission will also report on the changes, if any, to be made in the principles governing the distribution of Estate Duty and the manner in which the grant payable in lieu of States' share of Tax on Railway Fares should be distributed amongst them. As the Tax on Railway Fares is being abolished with effect from 1st April 1961, the recommendations of the Commission for the distribution of the grant in lieu of this tax will take effect from the next year.

Changes in Accounts

41. For some time past it has been felt that the existing accounting structure, which has continued more or less unchanged ever since it was drawn up at the time of the introduction of the Government of India Act, 1935, should be rationalised and recast in the light of the subsequent Constitutional changes and the rising tempo of Government developmental expenditures. The matter was

reviewed in consultation with the Comptroller and Auditor General and it has been decided that the changes may be phased over a period of two years. The changes introduced in the coming year have been explained in detail in the Explanatory Memorandum.

42. I shall refer only to the important items. As Honourable Members know, the group head "Civil Administration" includes not only budget heads dealing with administration such as 'General Administration', 'Audit', 'Police' and 'Jails' but also major heads pertaining to developmental activities of Government such as 'Education', 'Agriculture', and 'Medical'. Apart from the fact that the nomenclature 'Civil Administration' is somewhat misleading, the budget in its present form, does not indicate separately the expenditure incurred by Government on its administrative activities and on social and developmental activities. To remedy this defect the group head "Civil Administration" is being split up into two: "Administrative Services" and "Social and Developmental Services". The splitting up of group head "Civil Administration" will assist Honourable Members to assess the growth of administrative expenditure more correctly.

43. With the exception of certain statutory grants, grants-in-aid to State Governments have hitherto been recorded subjectwise under the relevant major heads of account and provided in the grants concerned. These grants are, however, not final expenditures of the Central Government on those activities but are merely transfers of resources from the Centre to the States. They are accordingly being segregated under a separate head 'Grants-in-aid to States' and the provision included in a single composite demand. The various types of grants namely statutory, plan and non-plan, will however be indicated separately under this head according to the Ministries administering them. This arrangement will give at one place the total of the grants from the Centre to the States and will also facilitate integrated control on the utilisation of these grants.

44. I might also refer to another change which might be of interest to Honourable Members. Payments to States of their share of Union Excise Duties have so far been shown as expenditure under the major head '2-Union Excise Duties'. These amounts are

also in the nature of transfer of resources to the States and will hereafter be shown under a distinct major head 'States' Share of Union Excise Duties.'

45. It has also been decided that expenditure on labour and employment, which is at present exhibited under the heads 'Miscellaneous Departments' and 'Miscellaneous', should from the next year be recorded under a new major head "Labour and Employment".

46. I am sure the House will welcome these changes which will help to give a clearer picture of the purposes for which sums are being provided in the budget.

Financial Year 1960-61

47. The budget for the current year, as finally approved by Parliament, placed the revenue at Rs. 919.65 crores and expenditure at Rs. 980.35 crores, with the resultant revenue deficit of Rs. 60.70 crores. According to the present assessment, the revenue now is likely to amount to Rs. 923.72 crores and expenditure to Rs. 957.38 crores, leaving a deficit of Rs. 33.66 crores.

48. The gross revenue shows an improvement of Rs. 40.13 crores due mainly to better realisations of Union Excise Duties and Income-tax including Corporation Tax, but these improvements will be largely counter-balanced by the increase of Rs. 36.06 crores in the States' share of taxes. In the net, the revenue will show an increase of Rs. 4.07 crores. The receipts of Rs. 163 crores from Customs are at about the same level as estimated in the Budget. Union Excises including Additional Excises will yield Rs. 394.98 crores, an increase of Rs. 15.37 crores over the original estimate. This increase is spread over most of the items, notably, tobacco, refined diesel oil and motor vehicles, and is attributable to improvement in production and larger clearances during the year. The Taxes on Income including Corporation Tax are expected to increase by Rs. 25 crores due mainly to the completion of a larger number of assessments pertaining to earlier years and better realisations than originally anticipated. The share of income-tax

payable to the States will at the same time go up by Rs. 34.92 crores as a result of larger collections during the year and arrears payable for earlier years. This will, however, be partially neutralised by a reduction of Rs. 7.43 crores in the ad hoc grants to the States in lieu of the loss in their share of income-tax following the changes in the Company tax structure, for which provision is made in the expenditure estimates. The surcharge on iron and steel, which is transferred to the Iron and Steel Equalisation Fund, is likely to yield Rs. 2.1 crores less, while the grants under P. L. 480 programme will drop by Rs. 5 crores.

49. The revenue expenditure this year is now estimated at Rs. 957.38 crores against the original estimate of Rs. 980.35 crores. Defence Services account for Rs. 266.72 crores and Civil Expenditure for Rs. 690.66 crores.

50. The saving of Rs. 17.43 crores in the Civil Expenditure is the cumulative effect of changes over several heads. Debt services will show a saving of Rs. 2.24 crores due chiefly to smaller issues of market loans and treasury bills, partly counter-balanced by larger payment of interest on Post Office Savings Bank deposits and savings certificates. The transfer of the surcharge to the Steel Equalisation Fund and of the grant under P. L. 480 to the Special Development Fund together will account for a fall of Rs. 7.1 crores. As I mentioned earlier, the ad hoc grants to the States in lieu of income-tax will drop by Rs. 7.43 crores but the grants to States for raising the emoluments of low-paid employees will increase by Rs. 2.41 crores.

51. The net expenditure on Defence Services this year is estimated to show a saving of Rs. 5.54 crores. This is mainly due to a lower expenditure on the purchase of stores and equipment than was originally anticipated.

Financial Year 1961-62

52. For the coming year, at the existing level of taxation, I am budgeting for a total revenue of Rs. 962.92 crores and an expenditure of Rs. 1023.52 crores, leaving a deficit of Rs. 60.60 crores.

53. The revenue from Customs is expected to show a modest increase of Rs.1 crore over the current year's revised estimate, whereas Union Excises are likely to improve further by Rs.11.26 crores and Taxes on Income and Corporation Tax together by Rs.6 crores. The contribution from Railways is expected to increase by Rs.16.23 crores due mainly to the implementation of the recommendations of the Railway Convention Committee. The rate of dividend will increase from 4 per cent to $4\frac{1}{4}$ per cent. Further, the Railways will be paying an additional annual contribution of Rs.12.5 crores to the General Revenues in lieu of the Tax on Railway Fares, which will be distributed amongst the States by way of grant. The profits of the Reserve Bank will show an increase of Rs.$2\frac{1}{2}$ crores over the current year's amount of Rs.40 crores and the grant under P.L. 480 is estimated to go up by Rs.5 crores. The share of Income Tax payable to the States is expected to be lower by Rs.6.19 crores next year mainly on account of smaller payment of arrears in respect of earlier years. These improvements, however, will be partly counter-balanced by decreases under several heads, notably, surcharge on iron and steel which will drop further by Rs. 3.4 crores as a result of the provisional increase in the retention price of steel.

54. Civil Expenditure next year shows an increase of Rs.49.94 crores over the current year's revised estimates. In view of the changes in the classification of accounts to which I have referred earlier, the figures for 1961-62 are not quite comparable with the corresponding figures for the current year. I shall however, make allowance for the effect of these changes under the appropriate heads while commenting on some of the important provisions. The growing volume of internal and external borrowings accounts for an increase of Rs.9.55 crores under Debt services. The variations in respect of the surcharge on iron and steel and the grant under P.L. 480 referred to above will also be reflected on the expenditure side. Excluding grants to States, which will now be exhibited separately, and transfer of the surcharge mentioned earlier, Social and Developmental Services are expected to cost Rs.32.88 crores more next year. This increase is spread over almost all the heads and is attributable chiefly to the implementation of the schemes included in the Third Plan. The ad hoc grants payable to the States in lieu of loss in their share of income-tax

following the changes made in the Company tax structure will go up by Rs. 2.76 crores. Excluding the grants payable as a result of the abolition of the tax on Railway Fares to which I have referred earlier, the grants to the States next year will decrease by Rs.18.35 crores mainly on account of the discontinuance of the grants for raising the emoluments of low-paid employees which were payable only during the Second Plan period. The Third Finance Commission is expected to take this factor into account in assessing the needs of the State Governments for assistance from the Centre.

55. The net expenditure on Defence Services next year shows an increase of Rs.16.2 crores. Army estimates will go up by Rs.9.2 crores, whereas Navy and Air Force together will require Rs. 3.54 crores more. The Non-effective Charges also account for an increase of Rs.3.46 crores attributable chiefly to the recent decision to extend to the military pensioners with retrospective effect the benefit of temporary increase in small pensions admissible from 1st April, 1958 on the Civil side. The overall increase in Defence Estimates is due mainly to the additional commitments of Armed Forces including the expansion of certain establishments and provision for payments to Service Officers on the basis of the recommendations of the Pay Commission.

Capital Expenditure

56. Excluding the adjustment for the transfer of assistance from the United States to the Special Development Fund, which is technically classified as capital expenditure, the current year's budget provided Rs. 371 crores for capital outlay. The corresponding figure is now estimated at Rs.416 crores, an increase of Rs.45 crores. On account of larger imports, particularly of wheat, the net expenditure on the purchase of foodgrains will increase by Rs. 30.48 crores. The requirements for the construction of border roads are likely to exceed the original estimate by Rs.13.5 crores. An additional amount of Rs.7.94 crores will be required for exploration of oil by the Oil and Natural Gas Commission, while payment of Rs.8.27 crores had to be made to the World Bank under the Indus Waters Treaty. These increases will be partly counter-balanced by shortfalls under certain other items of capital expenditure. Detailed explanations for

the variations under other heads have, as usual, been given in the notes on the Demands for Grants and in the Explanatory Memorandum.

57. The corresponding provision for capital outlay next year is Rs.454 crores, showing an increase of Rs.38 crores over the current year's revised estimate. This increase is spread over a number of heads and reflects the additional requirements in the first year of the Third Plan. Railways will be spending Rs.36.38 crores more for their capital outlay but the net expenditure on purchase of foodgrains will go down by Rs.26 crores. Of the other major increases, mention may be made of Rs.7.7 crores under border roads, Rs.8.46 crores for industrial development, Rs.5.2 crores for the development of land acquired by the Delhi Administration and Rs.2.83 crores for the construction of food storage godowns.

58. In addition to the direct capital outlay just mentioned, the estimates provide Rs.356.07 crores this year and Rs.409.22 crores next year for loans to States and Rs.174.37 crores this year and Rs.170.60 crores next year for loans to other parties including Port Trusts, Government-owned Corporations and foreign Governments.

59. Provision has been included in the next year's estimates for a total expenditure of Rs.943 crores for implementing the Plan of which Rs.181 crores would be on revenue account and the balance of Rs.762 crores as capital outlay including loans. In addition, the Railways will provide Rs.23 crores from their own resources. These estimates include a provision of Rs.352 crores for assistance to States, Rs.90 crores in the Revenue budget and Rs.262 crores in the Capital budget. It is expected that the States will find Rs.200 crores from their own funds, thus making up an outlay of Rs.552 crores for the State plans. The outlay on the Central portion of the Plan will aggregate to Rs.614 crores. In all, the total Plan outlay in the first year of the Third Plan both for the Centre and the States will be of the order of Rs.1166 crores. In making these provisions, we have borne in mind the need for proper and careful phasing. A substantial portion of the provision during the

coming year relates to the Second Plan projects which will be carried forward to the Third Plan and a relatively modest provision has been made for the new projects which require much preparatory work.

Ways and Means

60. The overall deficit for the current year was estimated in the original budget at Rs.153 crores. According to the present assessment, this deficit is now expected to come down to Rs.15 crores. The improvement of Rs.138 crores is the result of a number of factors. The revenue deficit is now expected to go down by Rs.27 crores. The revised procedure regarding the deposit of P.L. 480 funds with the Reserve Bank of India, to which I have alluded earlier, accounts for investments in special securities of Rs.240 crores—Rs.108 crores on account of transfers from the State Bank of India and Rs.132 crores due to net fresh accruals. The opening cash balance exceeded the original estimate by Rs.19 crores. This improvement of Rs.286 crores will be partly offset by an increase of Rs.45 crores in capital expenditure mentioned earlier, decline of Rs.84 crores in the net internal and external borrowings and worsening to the extent of Rs.19 crores under other debt heads.

61. The Budget had assumed credit for market loans at Rs.250 crores including Rs.25 crores from Prize Bonds. During the year, two loans were floated: $3\frac{1}{2}$ per cent Bonds, 1966, and 4 per cent Loan, 1980 for a total sum of Rs.175 crores. Conversion facilities were also offered to the holders of $2\frac{3}{4}$ per cent Loan, 1960, 4 per cent Loan, 1960-70 and $2\frac{1}{4}$ per cent Hyderabad Loan, 1955-60 maturing during the year. The total amount subscribed was Rs.180.70 crores including Rs.74.6 crores by way of conversion.

62. The Prize Bonds are expected to yield a sum of Rs.12.5 crores by the end of the year. As Honourable Members are aware, during the first few months of the introduction of the scheme, the sale of these bonds was very brisk but thereafter the demand for them has slackened appreciably. I believe, however, that these bonds have much attraction for a large mass of the people and with more intensive and co-ordinated efforts on the part of both non-

official and official organisations, particularly in the States, it should be possible to improve substantially on the recent performance.

63. The House will recall that in pursuance of the decision for the gradual funding of a part of the ad hoc Treasury Bills held in the Issue Department of the Reserve Bank of India, Treasury Bills of the value of Rs.300 crores were converted in 1958-59 and another batch of Rs.150 crores in 1959-60, into dated securities. We have continued this process during the current year by conversion of another batch of Treasury Bills worth Rs.50 crores.

64. Small savings have, during the last three years, shown encouraging results. The net collections last year aggregated to Rs.84 crores. During the first ten months of the current year net collections have exceeded the collections for the corresponding period last year by Rs.19 crores, and we are, for the first time, likely to end the year with a net collection of Rs.100 crores. The co-operation and response which the large masses of people have shown in contributing to the success of the Small Savings movement is very heartening and augurs well for the future. I should like to take this opportunity of expressing my appreciation of the assistance rendered in this direction by non-official agencies—particularly the Advisory Boards at the Centre and the States—and the official organisations under the various Ministries. I hope these encouraging trends will receive further momentum in the Third Plan which places the receipts from this source at Rs.585 crores. It would, however, not be wise to rest on our oars and take the present improvement for granted. A greater intensification of our efforts will be necessary in order to achieve that target. Development involves sacrifice and the essence of democratic planning is that the sacrifice should be evenly spread and should be forthcoming readily and voluntarily. I invite every citizen to participate in this sacrifice and to save more in order to invest more in the Small Savings Schemes.

65. In the budget for the coming year, I have taken a credit for a gross market borrowing of Rs.235 crores. For small savings, I have taken a net credit of Rs.105 crores, representing an increase of Rs.5 crores over the likely receipts this year. On the basis of

our present assessment, the foreign assistance expected during the coming year is estimated at Rs.421 crores. The net investment of P.L. 480 Funds is likely to be of the order of Rs.96 crores including the transfer of Rs.36 crores from the moneys formerly deposited with the State Bank.

66. I may now state, in brief, the overall budgetary position next year. The revenue deficit at the existing level of taxation is expected to amount to Rs.61 crores. Net capital outlay is estimated at Rs.454 crores, loans to State Governments and others at Rs.580 crores and debt repayments at Rs.167 crores. The total outgo of Rs.1262 crores will be met to the extent of Rs.235 crores from public borrowings in India, Rs.105 crores from small savings, Rs.421 crores from foreign assistance, Rs.176 crores from loan recoveries, Rs.96 crores from the investment of P. L. 480 Funds and Rs.104 crores from miscellaneous receipts, leaving an overall budgetary deficit of Rs.125 crores.

67. I shall now turn to the taxation proposals for the coming year.

GOVERNMENT OF INDIA

BUDGET, 1961-62

FINANCE MINISTER'S SPEECH

(Part B)

PART 'B' OF THE BUDGET SPEECH FOR 1961-62

68. Taxation in a developing economy plays a vital part. It is more than a mere budgetary device to pay for the cost of Administration. It is an instrument of economic policy.

69. I have already emphasized the importance of our tax effort in raising resources for the Plan. The Third Plan envisages an increase in tax revenue from 8.5 to 11 per cent of the national income. It is no longer a question of trying through taxation to cover the deficit on revenue account from year to year. We have to raise resources for the Plan as a whole. It is clear that every one must contribute towards the task of development on which we have embarked. It has been my endeavour, however, in framing my proposals to see that the tax burden does not fall too heavily on any one section of the community. It has, therefore, been necessary to have a large list of items over which the tax burden is spread. I have also aimed at securing that the incidence of taxation on lower income groups is very small. Finally I have tried to ensure that through our tax system we further our economic objectives.

We have to see that by our tax policies we discourage imports and encourage exports. It is also necessary to discourage consumption and encourage investment.

70. The proposals I am about to present both for direct taxation and for indirect taxation have these objectives in view.

Customs and Union Excises

71. In regard to Customs my proposals envisage the raising of the rates of duty on 41 items. The changes in rates of duties have been explained in detail in the memorandum circulated with the budget papers. I will, however, refer to some of the important changes.

72. I propose to increase the existing duty on betelnuts by 80 nP per kilogram. This will serve to some extent to mop up the high margin of profit on this commodity. The proposal is estimated to yield an additional revenue of Rs.57 lakhs in a year. It is proposed to step up the existing duty on unmanufactured tobacco by about 50 per cent. This is likely to give Rs.89 lakhs annually. The existing duty of 50 per cent ad valorem on certain textile manufactures will be raised to 100 per cent ad valorem. This will be consistent with the generally higher rates of duty on other textile items. The proposal will bring in additional revenue of Rs.68 lakhs. Similarly, the duty of 35 per cent ad valorem on iron and steel manufactures is to be increased to 50 per cent ad valorem, the extra annual yield being Rs.1 crore approximately.

73. Manufacture of machinery is developing fast in the country. As a measure to assist its growth, it is proposed to raise the import duty on machinery and components. My proposal for this item is two-fold, firstly to raise the statutory rate of duty from 10 per cent ad valorem to 15 per cent ad valorem, except in regard to the items on which there is a commitment under the General Agreement on Tariffs and Trade, and secondly to raise the concessional rate of duty at present applicable to certain types of machinery exempted under executive notification from 5 per cent ad valorem to 10 per cent ad valorem. The general policy of the Government has been to keep the duties on capital goods as low as possible. The increase being small should, however, make little difference to the cost of production. The proposal is estimated to yield an additional revenue of Rs.7.76 crores.

74. I propose to increase the duty on spirits, wines and malt and to impose a duty on hops and expect as a result an annual yield of Rs.24 lakhs.

The existing duty on electrical and other instruments, apparatus and appliances not otherwise specified is proposed to be raised by an addition of 10 per cent ad valorem. It is also proposed to increase the existing duty on railway material for permanent way and rolling stock and their component parts by 5 per cent ad valorem, the estimated extra annual yield from these two changes being Rs.1.48 crores.

The duty on the residuary item of "all other articles not otherwise specified" falling under entry 87 of the Tariff Schedule is to be raised by 10 per cent ad valorem, the additional yield being Rs. 2.43 crores.

75. I am also proposing a small increase in duty on newsprint. In 1937, the statutory rate of duty on newsprint was 25 per cent. For convenience, however, the duty was fixed by notification at certain specific rates which then worked out to about 25 per cent. The statutory rate of duty on paper including newsprint has since increased to 40 per cent plus excise duty, whereas the specific rates on newsprint have remained almost the same. On the other hand, the price of newsprint has increased considerably in the interval, with the result that the ad valorem incidence of the specific rates of duty now works out to less than 5 per cent as against the rate of 25 per cent, when it was originally fixed. It is proposed to raise this duty to about 10 per cent ad valorem. The change is being given effect to by a notification. The estimated yield as a result of this change is Rs. 38 lakhs a year.

76. Tea which is one of our very good foreign exchange earners has lately been losing ground in the international market. In order to encourage its export, it is proposed to reduce the export duty on tea by 9 nP per kilogram, that is by about 17 per cent, resulting in a loss of Rs. 2 crores.

77. The net effect of these changes will be to increase the Customs revenue by Rs. 16.95 crores.

78. Following the changes in excise duties to which I shall refer presently, provision is being made, wherever necessary, for the levy of countervailing import duties so that the indigenous producer is not placed at a disadvantage. The additional revenue resulting from the countervailing duties is expected to be Rs. 12.32 crores a year.

79. Turning to Union Excise duties, I propose to make changes in the rates of duty in respect of 14 commodities already subject to the levy and to impose the duty on 18 new commodities.

80. With the object of restraining consumption of tea and assisting its export, I propose to increase the excise duty on loose tea by 5 to 8 nP per kilogram. The rate on package tea is, at the same time, being reduced by 6 nP per kilogram, as the present rate of duty is leading to a shift in the customary trade. These measures will yield Rs.1.98 crores. With a similar object, the rate of duty on coffee is also proposed to be increased by about 33 per cent, bringing in Rs. 38 lakhs.

Tobacco has been one of our stable revenue earners. Major changes in its tariff structure were made in 1957 but experience has shown the need for some simplification and rationalisation. In order to discourage lower rated tobacco being used as a substitute for tobacco bearing a higher rate, it is necessary to narrow the difference between the two rates. It is also necessary to step up the duty on stalks. The structure of duty on air and flue cured tobacco and on cigarettes and on cigars and cheroots is being simplified. These changes will yield an additional revenue of Rs. 2.58 crores.

81. With the improvement in the standards of living, consumption of kerosene has been rising and as the production of kerosene in the country falls short of our requirements, large quantities have to be imported. It is necessary to slow down the rate of increase in use of kerosene, particularly superior kerosene and with this in view I propose to increase duty on it by about 46 per cent, raising the incidence of duty to Rs.95.55 per kilolitre. This, with the existing additional duty of Rs.4.45 will mean a total duty of Rs.100 per kilolitre. Inferior kerosene which is generally used in rural areas, is being exempted from this increase by a notification. Additional revenue from this will be Rs.2.84 crores.

Because of the high difference in duty between refined diesel oil and diesel oil not otherwise specified, there is a growing tendency to use the latter in admixture with the former. Partly to correct this imbalance, I propose to raise the duty on diesel oil not otherwise specified by Rs.28.15 per metric tonne. This will give a revenue of Rs.1.33 crores.

82. The rayon yarn industry is in a buoyant condition and is earning substantial profits. I propose to step up the duty on yarn of all categories and on staple fibre by about two-thirds. This measure is expected to yield an additional revenue of Rs.1.69 crores.

I am also increasing the duty on vegetable product by Rs.2.80 per quintal, that is 100 kilograms. This is expected to yield an additional revenue of Rs.80 lakhs a year.

Paints and varnishes and paper industry are now firmly established and these commodities are in a position to contribute further to the exchequer. I propose to raise the duty on paints and varnishes by about 25 per cent and on paper and paper-boards by 36 per cent to 59 per cent. I do not, however, propose any increase in the duty on printing and writing paper. The additional revenue from paints and varnishes and from paper and paper-boards is estimated at Rs. 30 lakhs and Rs.2.37 crores respectively.

83. The large gap in the rates of duty on fine and medium 'A' varieties of cotton fabrics has resulted in a major shift in production from fine to medium 'A' cloth. To correct this to some extent, I propose to raise the basic duty on medium 'A' grey fabrics by 25 per cent. The excise levy on processed cloth is also being increased by small amounts. These measures are expected to yield Rs.4.72 crores.

The concession which is given at present to small units in the form of total exemption from duty or duty at a reduced rate in respect of units employing less than a specified number of power looms has led to abuses and difficulties in administration. To remedy this, full exemption will be admissible only to such units as do not employ more than 2 looms in respect of cotton, rayon and silk fabrics and one loom in respect of woollen fabrics. The slab rates of compounded levy are also being adjusted suitably.

84. It is in the interest of development of match industry in the country that only one size of match box should be produced for general use and the size considered most suitable is a box of 50

sticks. To encourage this standardization through fiscal measures rather than compulsion, I propose to make certain changes in the pattern of duty on matches. The ceiling rate of duty is proposed to be revised from 57 nP per 1000 sticks to 65 nP per 1000 sticks. The rates of duty on the standard boxes of 50 will, however, be kept almost at the present level and the increased rate will affect only matches packed in non-standard boxes. At the same time, as a measure of encouragement to the cottage sector of the industry which uses bamboo for making splints, the concessional rates are being further liberalised. These proposals are not likely to result in any appreciable change in revenue. To give sufficient time to the industry to adjust itself to the new requirements it is proposed to continue the present concessional rates on boxes of 40s and 60s for a further period of 3 months.

85. Medium and small size factories producing cycle rims which were mostly dependent on replacement market for disposal of their products are having a difficult time. Consistently with our policy to help smaller units, I propose to grant certain concessions which will give relief to the extent of Rs.10 lakhs a year to them.

86. With the industrial expansion in the country it is now possible to spread the excise net wider. I propose to impose small specific duties on soda ash, caustic soda and glycerine, a duty of 15 per cent ad valorem on coal tar dyes, of 10 per cent on patent or proprietary medicines not containing alcohol and of 25 per cent on certain articles of cosmetic and toilet preparations. Patent and proprietary medicines containing alcohol are already subject to duty under the Medicinal and Toilet Preparations (Excise Duties) Act. These items taken together are expected to yield an annual revenue of Rs. 1.8 crores.

Similarly it is proposed to levy a duty of 20 per cent ad valorem on cellophane and on plastic powders and other semi-finished plastic material. I expect a revenue of about Rs. 50 lakhs from these.

87. It is proposed to levy a small specific duty on mill-made cotton and woollen yarn and I hope that at least a part of the duty

will be absorbed in the cost of manufacture. This step will also bring within the excise net hosiery and certain other fabrics which do not bear any duty at present. This duty will not, however, apply to yarn in hanks used in weaving on handlooms such as dhoties, sarees and other common varieties of cloth and to yarn spun from shoddy wool used in the fabrication of coarse articles. I expect a revenue of Rs. 5.55 crores from this levy.

88. My next proposal is to levy excise duties ranging from 5 per cent ad valorem to 15 per cent ad valorem on glass and glassware and China and porcelainware including crockery. Provision is being made for a lower rate of duty for laboratory glassware used mostly in educational or research institutions. The revenue from these two items taken together is estimated at Rs. 1.60 crores.

The House will recall that last year a duty was levied on aluminium in certain forms. I now propose to place two other non-ferrous metals, namely, copper and zinc, which can to some extent substitute aluminium, on the same footing, and am accordingly levying a duty of Rs. 300 per metric tonne on sheets and circles and 10 per cent ad valorem on pipes and tubes. I also propose to bring aluminium pipes and tubes in line with those of copper and zinc. This proposal is estimated to yield a revenue of about Rs. 80 lakhs.

89. I also propose to levy a duty on wireless receiving sets, air conditioning machinery and refrigerators. The duty on air-conditioning machinery and refrigerators is proposed to be levied at 20 per cent. In the case of wireless receiving sets I propose a ceiling rate of 20 per cent ad valorem for sets valued at more than Rs. 300 each and concessional rates for cheaper sets, those valued upto Rs. 150 each will be completely exempted from duty. I expect a revenue yield of Rs. 83 lakhs from these sources.

90. My last proposal under this head is to put an additional excise duty on mill-made silk fabrics in lieu of sales tax levied on such fabrics by the States. The States have agreed to this proposal.

91. The net effect of all these proposals is an additional revenue of Rs. 30.90 crores of which Rs. 2.3 crores will accrue to the States, as their share.

Direct Taxes

92. I am proposing only one change in the rate structure of personal income tax. At present, earned income is taxed at a concessional rate through a scheme of differential rates of surcharges under which earned income above Rs.1 lakh bears a lower surcharge of 5 per cent while the whole of unearned income bears a special surcharge of 15 per cent of the basic income tax and super tax. The maximum slab rate of tax, including surcharge, on unearned income is thus 84 per cent while it is 77 per cent in the case of earned income above Rs.1 lakh. The justification for a differential treatment in favour of earned income, however, diminishes as the income and with it the capacity to pay increase and I consider that earned incomes above Rs.1 lakh should be subjected to tax at a rate nearer to that at which unearned income is taxed. Accordingly, I propose to increase the rate of the present special surcharge of 5 per cent on earned income above Rs.1 lakh to 10 per cent of the basic tax.

93. I have proposed a few changes with regard to the taxation of companies in order to rationalise the present tax structure, and to encourage capital formation. We are encouraging companies to have a wide equity base. Capitalisation of reserves and of premium on shares is an important device to ensure that a company does not dissipate its reserves through higher dividends. The super-tax payable by companies on bonus issues has, it would appear from recent experience, discouraged this process. Now that the tax on excess dividends has been abolished, I consider it desirable both from the revenue point of view and from the point of view of widening the equity base of companies to reduce the tax on new bonus issues from 30 per cent to 12 $\frac{1}{2}$ per cent. The Controller of Capital Issues will, however, continue to ensure that bonus issues are not sanctioned except after a careful scrutiny of the proposals.

94. My next proposal relates to the rate of super-tax payable by companies on dividends received by them. Under the law as it stands, there is a concessional rate of super-tax on dividends received by a parent company from its subsidiary, while inter-corporate investment on a minority basis is taxed at a higher rate. I feel

that we should not, through our tax laws, encourage the formation of subsidiaries. Consistently with our broad social objectives, our tax laws should help to enlarge rather than restrict the scope for public participation in all joint-stock companies. I have one more consideration in mind. Because of the more favourable treatment given to income derived from subsidiaries, foreign investors in Indian companies are tempted to ask for a majority holding. The tax on a minority share-holding by a foreign company is substantially higher than on an Indian company with a minority investment. The investment of foreign capital can make a major contribution to our programmes of industrial development. We do not, rightly give any tax concessions to the foreign investor as such. At the same time, we should not impose a higher tax on inter-corporate investment from outside which comes in with government's approval than on similar Indian investment. Having regard to all these considerations, I propose that the rate of super-tax on dividends paid on inter-corporate investment, whether Indian or foreign, and whether on a majority basis or a minority basis, should be fixed at 20 per cent. In order that this change does not affect investments already made under different assumptions, the new rate of taxation will apply to investment in companies formed after 1st April, 1961.

95. My other proposal relates to the taxation of royalties received from Indian enterprises by foreign companies. The present rate, inclusive of income-tax and super-tax, comes to 63 per cent, which, it appears, is higher than the rate in any other country. The incidence of this high rate of tax is borne in the last analysis by our own industry because the foreign interest concerned naturally asks for a rate of royalty which would give an adequate return to it after deduction of taxes. In order to enable Indian industry to secure technical collaboration on more favourable terms, I propose to reduce the tax on royalties payable on agreements approved by the Central Government after the 31st March, 1961, to 50 per cent.

96. During recent years, there has been a growing tendency on the part of companies and their directors and executives to entertain on a lavish scale at the expense of companies. While a certain amount of entertainment is unavoidable and indeed necessary

in the interest of the business of the company, such expenditure quite often is out of all proportion to the benefit to the company. This ostentation and extravagance have an unhealthy effect on the society and go ill with the need for economy and our ideal of social equality. This state of affairs is partly facilitated by the fact that such expenses are counted as business expenditure for the purpose of tax. In order to correct the situation, without penalising expenditure on a reasonable scale, I have proposed that entertainment expenses in the case of companies should be admissible within specified limits as expenditure for the purpose of tax.

97. I shall now briefly refer to the more important of the amendments which I have proposed in the Income Tax Act. At present development rebate is allowed at the rate of 40 per cent of the cost in the case of a ship and at the rate of 25 per cent in the case of other plant or machinery. It is proposed to reduce the rate of 25 per cent to 20 per cent in the case of machinery or plant installed after the 31st March 1961. The development rebate of 40 per cent in the case of a ship will continue unaffected. I also propose that where a company is amalgamated with another company or where a firm is converted into a private company and machinery or plant on which development rebate is admissible to the predecessor is transferred, the development rebate already allowed in respect of the asset transferred will not be withdrawn and any unutilised portion of the rebate will be available to the successor company, subject to appropriate conditions.

98. The period of tax exemption for foreign technicians, where contracts of service have been approved by the Central Government, varies between 24 and 36 months at present. It is proposed to make such exemption available for a uniform period of 36 months. Further, if after this period of thirty six months, the technician's services are retained in India and the employer pays tax on the technician's salary, the amount paid as tax by the employer will not be treated as part of the employee's income. This concession is proposed to be given for a period of 24 months after the expiry of the initial tax-free period of 36 months. Both these concessions will apply automatically to technicians whose contracts have been approved under the existing regulation.

99. Another amendment authorises public financial institutions, approved by Government, which have been set up to promote industrial development by providing long-term finance, to claim as a deduction, appropriations made to a special reserve account, of sums not exceeding 10 per cent of the total income of each year till the amount carried to the reserve account becomes equal to the paid-up capital of the institution.

100. Honourable Members will be interested in another proposal which seeks to extend the benefit of the 5 years' tax holiday provided under section 15 C of the Income Tax Act to newly started hotels which satisfy certain conditions. The object of this concession is to provide an incentive for the building of hotels which are intended to cater mainly to the tourist traffic earning foreign exchange.

101. In order to stimulate construction of housing for the use of persons in low income group, I propose to provide for a deduction of Rs. 600 per annum from the annual value of new residential units completed after 31st March, 1961. This concession will be available for a period of three years only from the date of completion. Further, I propose to provide for an initial depreciation allowance of 20 per cent to business undertakings for premises constructed by them for their employees drawing not more than Rs. 200 per month.

102. I shall not take the time of the House in dilating upon the the remaining amendments to the Income Tax Act as these are of a minor nature and have no revenue significance.

103. The changes in direct taxes will bring in an additional revenue of Rs. 3 crores.

Net effect of the proposals

104. I may briefly state the net result of my proposals. The changes in the Customs duties will yield an additional revenue of Rs. 29.27 crores. Excluding the amount of Rs. 2.3 crores transferable to the States, Union Excise duties will bring in Rs. 28.6

crores. The minor changes in Income Tax and Corporation Tax are expected to yield an income of Rs. 3 crores. As a result of these proposals, an additional revenue of Rs. 60.87 crores will accrue to the Centre. This will completely wipe out the revenue deficit and give a nominal revenue surplus of Rs. 27 lakhs. The overall deficit will consequentially be reduced from Rs. 125 crores to Rs. 64 crores and will be met by the expansion of Treasury Bills.

Conclusion

105. The taxation proposals which I have just outlined will, no doubt, impose an additional burden on the people, though my aim has been to minimise its incidence on the weaker sections of the community. I would, however, have failed in my duty if, on the threshold of the Third Plan, I had called for a smaller effort. We have set ourselves the onerous task of raising the standard of living of our people and of speedily building up a self-sustaining economy. We are doing this with the willing consent of the people through democratic processes. There can be no respite from sweat and sacrifice.

106. Our efforts in mobilising resources for the Second Plan have been impressive. By raising additional revenue of about Rs. 800 crores through fresh taxation we have, over the five year period, not only met our entire revenue expenditure from our current income but have also financed capital expenditure to the extent of about Rs. 130 crores from current surpluses. In addition, we have assisted the States by way of revenue grants of the order of Rs. 700 crores, over and above their share of Income Tax and Union Excise Duties. At the same time, we have kept deficit financing well within the limits originally envisaged. I venture to submit that these are not insignificant achievements.

107. Our objectives and targets during the Third Plan are more ambitious. Throughout the next five years, it must be our endeavour to keep the pressure on prices under check by raising additional revenues and mobilising savings so as to ensure that deficit financing is kept within the limit of Rs. 550 crores envisaged in the Draft Outline. We are making a good beginning in this direction, in the first year of the Plan.

108. We have chosen for ourselves certain social and economic goals. We must do our utmost to achieve them. This will mean hard work and sacrifices for some time to come. But there is promise of a rich reward in the shape of higher standards of living, more employment opportunities and a better socio-economic system. The tasks that we have undertaken are of great moment for the future of the country. We dare not falter at this crucial stage.

SUMMARY OF

(In lakhs of Rupees)

REVENUE

	Budget 1960-61	Revised 1960-61	Budget 1961-62
Customs	1,62,50	1,63,00	1,64,00 +29,27*
Union Excise Duties	3,79,61	3,94,98	4,06,24 +28,60*
Corporation Tax	1,35,00	1,37,50	1,40,00 +1,00*
Taxes on Income other than Corporation Tax	52,94	40,52	50,21 +2,00*
Estate Duty	10	9	9
Taxes on Wealth	7,00	7,50	7,00
Taxes on Railway Fares	11	(-)12	..
Tax on Expenditure	90	90	80
Gift Tax	80	80	80
Opium	5,69	5,82	6,25
Interest	15,71	14,87	13,84
Administrative Services	84	99	97
Social and Developmental Services	52,35	51,46	47,00
Currency and Mint	57,22	57,85	60,63
Civil Works	3,04	3,38	3,75
Other Sources of Revenue	39,73	38,66	39,28
Posts and Telegraphs—Net Contribution to General Revenues	47	46	77
Railways—Net Contribution to General Revenues	5,64	5,06	21,29
TOTAL REVENUE	9,19,65	9,23,72	9,62,92 +60,87*

*Effect of budget proposals.

FINAL ESTIMATES

(In lakhs of Rupees)

EXPENDITURE

	Budget 1960-61	Revised 1960-61	Budget 1961-62
Collection of Taxes, Duties and other Principal Revenues	32,81	32,20	30,46
Irrigation	17	13	15
Debt Services	74,59	72,35	81,90
Administrative Services	60,59	61,53	58,37
Social and Developmental Services	2,07,17	1,98,52	1,73,46
Currency and Mint	10,27	10,87	11,96
Civil Works and Miscellaneous Public Improvements	20,32	21,59	21,73
Pensions	10,11	10,33	10,41
Miscellaneous—			
Expenditure on Displaced Persons	20,28	20,28	11,28
Other Expenditure	1,11,70	1,07,07	42,75
Grants to States, etc.	51,81	51,87	2,10,93
States' Share of Union Excise Duties	74,52	75,10	76,33
Extraordinary Items	33,75	28,82	10,87
Defence Services (Net)	2,72,26	2,66,72	2,82,92
TOTAL EXPENDITURE	9,80,35	9,57,38	10,23,52
Deficit (-) / Surplus (+)	(-)60,70	(-)33,66	(-)60,60 / (+)60,87*

* Effect of budget proposals.

GOVERNMENT OF INDIA

BUDGET

OF THE

CENTRAL GOVERNMENT

FOR

1961-62

(As laid before Parliament, 1961)

MINISTRY OF FINANCE,
New Delhi, the 28th February 1961

L. K. JHA,
Secretary to the Government of India.

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I—GENERAL STATEMENT OF THE REVENUE AND EXPENDITURE

(In thousands of Rupees)

	For details *vide* Statement	Accounts, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
I.—CONSOLIDATED FUND OF INDIA					
REVENUE—					
Taxes, Duties and other Principal Heads of Revenue					
Customs. . . .	A	1,56,10,75	1,62,50,00	1,63,00,00	1,64,00,00 +29,27,00*
Union Excise Duties .	,,	3,60,64,72	3,79,61,62	3,94,98,00	4,06,24,00 +28,60,00*†
Corporation Tax .	,,	1,06,55,93	1,35,00,00	1,37,50,00	1,40,00,00 +1,00,00*
Taxes on Income other than Corporation Tax	,,	69,53,30	52,94,00	40,52,00	50,21,00 +2,00,00*
Estate Duty .	,,	14,69	9,57	9,01	9,12
Taxes on Wealth .	,,	12,10,53	7,00,00	7,50,00	7,00,00
Taxes on Railway Fares . .	,,	—26,09	11,00	—12,00	..
Expenditure Tax .	,,	78,90	90,00	90,00	80,00
Gift Tax . .	,,	80,59	80,00	80,00	80,00
Opium . .	,,	4,19,19	5,69,00	5,82,00	6,25,00
Other Heads .	,,	13,80,10	15,16,01	18,52,45	18,05,38
TOTAL.—TAXES, DUTIES AND OTHER PRINCIPAL HEADS OF REVENUE. .		7,24,42,61	7,59,81,20	7,69,51,46	7,93,44,50 +60,87,00*
Contribution from Railways . .	,,	5,62,92	5,63,75	5,05,56	21,28,60
Contribution from Posts and Telegraphs	,,	..	46,94	45,68	77,06
Irrigation : Net Receipts . . .	,,	14	16	1	1
Posts and Telegraphs: Net Receipts	,,	5,12,63	..	..	..
Debt Services .	,,	7,99,30	15,70,59	14,87,29	13,84,26
Administrative Services		84,59	84,40	98,67	97,22
Social and Developmental Services .	,,	48,24,59	52,35,17	51,46,42	47,00,01
Currency and Mint .	,,	52,79,08	57,21,78	57,85,25	60,62,67
Civil Works and Miscellaneous Public Improvements . . .	,,	3,22,18	3,06,76	3,40,07	3,78,07
Electricity Schemes .	,,	—18	—2,46	—2,23	—2 60
Miscellaneous .	,,	21,93,00	14,49,74	15,05,73	11,15,69
Contributions and Miscellaneous Adjustments	,,	..	6,23	6,23	6,23
Extraordinary Items .	,,	21,84	10,01,32	5,01,98	10,00,00
TOTAL—REVENUE .	,,	8,70,42,70	9,19,65,58	9,23,72,12	9,62,91,72 +60,87,00*
EXCESS OF EXPENDITURE OVER REVENUE OR DEFICIT . .		..	60,69,77	33,65,59	..
TOTAL .		8,70,42,70	9,80,35,35	9,57,37,71	10,23,78,72

*Effect of Budget proposals

Note.—The accounts for 1959-60 have not been finally closed and the actuals given here are only provisional.

†Excludes a sum of Rs. 2.3 crores being the share of Union Excise Duties (Basic & Additional) payable to States which has been taken in reduction of Revenue.

MET FROM REVENUE OF THE CENTRAL GOVERNMENT

(In thousands of Rupees)

	For details *vide* Statement	Accounts, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
I.—CONSOLIDATED FUND OF INDIA					
EXPENDITURE—					
COLLECTION OF TAXES, DUTIES AND OTHER PRINCIPAL REVENUES	B	1,02,88,69	1,07,33,37	1,07,30,24	30,45,83
Irrigation ..	,,	11,79	16,72	12,66	14,94
Debt Services .	,,	69,37,83	74,59,21	72,34,59	81,89,68
Administrative Services	,,	52,04,45	60,58,74	61,52,50	58,36,88
Social and Developmental Services .	,,	1,73,96,66	2,07,17,45	1,98,52,45	1,73,46,65
Currency and Mint .	,,	9,79,08	10,27,13	10,86,69	11,96,48
Civil Works and Miscellaneous Public Improvements .	,,	15,49,69	20,20,88	21,47,62	21,45,66
Electricity Schemes .	,,	6,33	10,55	11,52	27,51
Miscellaneous .	,,	1,03,60,15	1,42,09,19	1,37,67,92	64,44,43
Defence Services (*a*)	,,	2,30,85,72	2,72,26,00	2,66,72,38	2,82,91,76
Contributions and Miscellaneous Adjustments . .	,,	48,93,63	51,81,14	51,87,34	2,87,25,69
Extraordinary Items .	,,	20,73,56	33,74,97	28,81,80	10,86,69
TOTAL—EXPENDITURE MET FROM REVENUE .		8,27,87,58	9,80,35,35	9,57,37,71	10,23,52,20
EXCESS OF REVENUE OVER EXPENDITURE OR SURPLUS		42,55,12	..	..	26,52*
TOTAL		8,70,42,70	9,80,35,35	9,57,37,71	10,23,78,72

* Effect of Budget proposals

(*a*) Figures shown net ; the receipts shown in Statement A have been deducted from the expenditure shown in Statement B.

II—GENERAL STATEMENT OF THE RECEIPTS

(In thousands of Rupees)

RECEIPTS	For details, *vide* Statement	Accounts, 1959-60	Budget, Estimate, 1960-61	Revised Estimate, 1960-61	Budgete, Estimat, 1961-62
I.—CONSOLIDATED FUND OF INDIA					
Revenue Surplus (as shown in Part I) .		42,55,12	..	..	26,52
Permanent Debt (net) .	C	4,40,14,13	4,46,50,73	3,98,27,40	4,58,07,23
Floating Debt (net) .	,,	1,40,29,05	1,49,57,14	..	64,02,14
Loans and Advances by the Central Government (net) . .	,,	..	..	..	..
Inter-State Settlement (net) . . .	,,	..	..	..	..
TOTAL—I—CONSOLIDATED FUND OF INDIA .	,,	6,22,98,30	5,96,07,87	3,98,27,40	5,22,35,89
II.—CONTINGENCY FUND OF INDIA	C	..	..	7	..
III.—PUBLIC ACCOUNT					
Unfunded Debt (net)	C	1,05,99,22	1,27,53,53	3,79,96,43	2,39,69,42
Depreciation and other Reserve Funds (net)	,,	..	..	..	..
Appropriation for Reduction or Avoidance of Debt . .	,,	5,00,00	5,00,00	5,00,00	5,00,00
Other Deposits and Advances (net) .	,,	64,37,55	1,70,40,55	1,47,45,64	1,63,74,34
Remittances (net) .	,,	..	..	..	..
Transfer of Cash between England and India (net) .	,,	..	..	..	..
TOTAL III—PUBLIC ACCOUNT . .		1,75,36,77	3,02,94,08	5,32,42,07	4,08,43,76
TOTAL—RECEIPTS .		7,98,35,07	8,99,01,95	9,30,69,54	9,30,79,65
OPENING BALANCE .	C	34,86,76	50,50,00	69,66,51	50,39,33
TOTAL .		8,33,21,83	9,49,51,95	10,00,36,05	9,81,18,98

AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT

(In thousands of Rupees)

DISBURSEMENTS	For details *vide* Statement	Accounts, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
I.—CONSOLIDATED FUND OF INDIA					
Revenue Deficit (as shown in Part I) .	C	..	60,69,77	33,65,59	
Capital Accounts not met from Revenue	,,	3,57,50,64	4,44,41,16	4,92,60,31	5,28,86,91
Permanent Debt (net) .	,,	..	..	..	..
Floating Debt (net) .	,,	..	..	34,97,86	..
Other Loans (net) .	,,	..	..	..	..
Loans and Advances by the Central Government (net) .	,,	3,88,27,05	3,80,06,44	3,59,30,08	3,80,44,19
Inter-State Settlement (net) . . .	,,	12,07	29	29	1,79,15
TOTAL I.—CONSOLIDATED FUND OF INDIA .	,,	7,45,89,76	8,85,17,66	9,20,54,13	9,11,10,25
II.—CONTINGENCY FUND OF INDIA	C	7	..	..	..
III.—PUBLIC ACCOUNT					
Unfunded Debt (net)	,,	..	..	..	..
Depreciation and other Reserve Funds (net)	,,	5,84,74	14,48,32	29,06,45	19,24,82
Other Deposits and Advances (net) .	,,	..	..	..	..
Remittances (net)	,,	10,90,57	21,35	36,14	77,63
Transfer of Cash between England and India (net)	,,	90,18	..	..	..
TOTAL III—PUBLIC ACCOUNT . . .		17,65,49	14,69,67	29,42,59	20,02,45
TOTAL—DISBURSEMENTS .		7,63,55,32	8,99,87,33	9,49,96,72	9,31,12,70
CLOSING BALANCE .	C	69,66,51	49,64,62	50,39,33	50,06,28
TOTAL .		8,33,21,83	9,49,51,95	10,00,36,05	9,81,18,98

A.—Statement of the Revenue of the Central Government

(In thousands of Rupees)

Heads of Revenue	Accounts, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Increase (+)Decrease(—) as compared with Budget, 1960-61	Budget Estimate, 1961-62	Increase + Decrease(—) as compared with Revised, 1960-61
I— CONSOLIDATED FUND OF INDIA TAXES, DUTIES AND OTHER PRINCIPAL HEADS OF REVENUE—						
I.— Customs .	1,56,10,75	1,62,50,00	1,63,00,00	+50,00	1,93,27,00	+30,27,00
II.— Union Excise Duties . .	3,60,64,72	3,79,61,62	3,94,98,00	+15,36,38	4,34,84,00	+39,86,00
III.— Corporation Tax	1,06,55,93	1,35,00,00	1,37,50,00	+2,50,00	1,41,00,00	+3,50,00
IV.— Taxes on Income other than Corporation Tax	69,53,30	52,94,00	40,52,00	—12,42,00	52,21,00	+11,69,00
V.— Estate Duty .	14,69	9,57	9,01	—56	9,12	+11
V-A.— Taxes on Wealth . .	12,10,53	7,00,00	7,50,00	+50,00	7,00,00	—50,00
V.B.— Taxes on Railway Fares .	—26,09	11,00	—12,00	—23,00	..	+12,00
V-C.Expenditure Tax	78,90	90,00	90,00	..	80,00	—10,00
V-D.— Gift Tax .	80,59	80,00	80,00	..	80,00	..
VI.— Opium .	4,19,19	5,69,00	5,82,00	+13,00	6,25,00	+43,00
VII.— Land Revenue	59,69	57,48	57,32	—16	58,27	+95
VIII.— State Excise Duties . .	1,66,30	1,68,88	1,88,41	+19,53	1,85,31	—3,10
IX.— Stamps .	3,24,54	3,31,55	3,35,58	+4,03	3,32,05	—3,53
X.— Forest . .	3,11,18	3,15,40	3,41,03	+25,63	3,73,95	+32,92
XI.—Registration .	10,44	12,24	10,61	—1,63	11,66	+1,05
XII.— Taxes on Vehicles . . .	46,63	45,60	52,16	+6,56	54,71	+2,55
XII-A— SalesTax .	4,06,01	3,84,01	4,96,69	+1,12,68	5,31,90	+35,21
XIII.—Other Taxes and Duties .	55,31	2,00,85	3,70,65	+1,69,80	2,57,53	—1,13,12
TOTAL—TAXES, DUTIES AND OTHER PRINCIPAL HEADS OF REVENUE . . .	7,24,42,61	7,59,81,20	7,69,51,46	+9,70,26	8,54,31,50	+84,80,04
IRRIGATION—						
XVII.— Irrigation, Navigation, Embankment and Drainage Works (Commercial) . .	..	..	..	..	..	..
Deduct—Working Expenses . .	..	..	..	..	..	..
Net Receipts .	..	..	..	..	..	..
XVIII,—Irrigation, Navigation, Embankment and Drainrge Works (Non-Commercial) .	14	16	1	—15	1	..
TOTAL—IRRIGATION .	14	16	1	—15	1	..
Carried over	7,24,42,75	7,59,81,36	7,69,51,47	+9,70,11	8,54,31,51	+84,80,04

A.—Statement of the Revenue of the Central Government—*Contd.*

(In thousands of Rupees)

Heads of Revenue	Accounts, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Increase (+) Decrease(—) as compared with Budget, 1960-61	Budget Estimate, 1961-62	Increase (+) Decrease(—) as compared with Revised, 1960-61
I. CONSOLIDATED FUND OF INDIA—*contd.*						
Brought forward	7,24,42,75	7,59,81,36	7,69,51,47	+9,70,11	8,54,31,51	+84,80,04
POSTS AND TELEGRAPHS—						
XIX.—Posts and Telegraphs—Gross Receipts	70,40,10	75,40,00	76,90,00	+1,50,00	81,00,00	+4,10,00
Deduct—Working Expenses	*61,81,01*	*66,56,01*	*65,57,71*	*+98,30*	*69,43,23*	*—3,85,52*
Net Receipts—Posts and Telegraphs	8,59,09	8,83,99	11,32,29	+2,48,30	11,56,77	+24,48
DEBT SERVICES—						
XX.—Interest	7,99,30	15,70,59	14,87,29	—83,30	13,84,26	—1,03,03
ADMINISTRATIVE SERVICES—						
XXI.—Administration of Justice	23,14	22,42	23,39	+97	23,76	+37
XXII.—Jails	1,25	1,12	1,20	+8	1,29	+9
XXIII—Police	60,20	60,86	74,08	+13,22	72,17	—1,91
TOTAL—ADMINISTRATIVE SERVICES	84,59	84,40	98,67	+14,27	97,22	—1,45
SOCIAL AND DEVELOPMENTAL SERVICES—						
XXIV.—Ports and Pilotage	30,30	32,03	33,02	+99	33,02	..
XXIV-A.—Mercantile Marine	8,55	7,65	7,67	+2	7,89	+22
XXV.—Lighthouses and Lightships	64,44	74,29	79,76	+5,47	80,65	+89
XXVI.—Education	71,35	40,98	55,59	+14,61	41,30	—14,29
XXVII—Medical	40,66	50,94	57,28	+6,34	54,24	—3,04
XXVIII.—Public Health	34,85	12,66	40,46	+27,80	13,57	—26,89
XXIX.—Agriculture	1,51,51	97,77	1,43,53	+45,76	1,65,51	+21,98
XXX.—Animal Husbandry	22,24	21,45	25,47	+4,02	24,88	—59
XXXI.—Co-operation	6,38	5,14	1,17	—3,97	4,61	+3,44
XXXII.—Industries and Supplies	36,72,94	41,56,25	38,71,98	—2,84,27	34,66,54	—4,05,44
XXXIII.—Aviation	1,04,31	1,02,07	1,14,10	+12,03	1,07,74	—6,36
XXXIV.—Broadcasting	2,73,30	2,76,64	2,95,54	+18,90	3,15,49	+19,95
XXXVI.—Miscellaneous Departments	3,43,76	3,57,30	4,20,85	+63,55	3,83,01	—37,84
XXXVI-A—Community Development Projects, National Extension Services and Local Development Works	..	..	..	..	1,56	+1,56
TOTAL—SOCIAL AND DEVELOPMENTAL SERVICES	48,24,59	52,35,17	51,46,42	—88,75	47,00,01	—4,46,41
Carried over	7,90,10,32	8,37,55,51	8,48,16,14	+10,60,63	9,27,69,77	+79,53,63

A.—Statement of the Revenue of the Central Government—*Contd.*

(In thousands of Rupees)

Heads of Revenue	Accounts, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Increase (+) Decrease(—) as compared with Budget, 1960-61	Budet Estimate, 1961-62	Increase (+) Decrease(—) as compared with Revised, 1960-61
I.—CONSOLIDATED FUND OF INDIA—(*contd.*)						
Brought forward .	7,90,10,32	8,37,55,51	8,48,16,14	+10,60,63	9,27,69,77	+79,53,63
CURRENCY AND MINT—						
XXXVII.—Currency	42,44,39	42,22,86	43,02,57	+79,71	46,03,81	+3,01,24
XXXVIII.—Mint .	10,34,69	14,98,92	14,82,68	—16,24	14,58,86	—23,82
TOTAL—CURRENCY AND MINT .	52,79,08	57,21,78	57,85,25	+63,47	60,62,67	+2,77,42
CIVIL WORKS, ETC.—						
XXXIX.—Civil Works	3,18,57	3,05,13	3,37,65	+32,52	3,76,47	+38,82
XL-A.—Receipts from Multi-purpose River Schemes .	3,61	1,63	2,42	+79	1,60	—82
TOTAL—CIVIL WORKS	3,22,18	3,06,76	3,40,07	+33,31	3,78,07	+38,00
ELECTRICITY SCHEMES—						
XLI.—Receipts from Electricity Schemes—						
Gross Receipts .	13,28	13,73	15,38	+1,65	18,22	+2,84
Deduct— Working Expenses .	*13,46*	*16,19*	*17,61*	*—1,42*	*20,82*	*—3,21*
Net Receipts—Electricity Schemes .	—18	—2,46	—2,23	+23	—2,60	—37
MISCELLANEOUS—						
XLIV.—Receipts in aid of Superannuation . . .	68,07	70,10	1,12,32	+42,22	59,95	—52,37
XLV.—Stationery and Printing . .	58,78	49,49	65,18	+15,69	65,04	—14
XLV-A.—Contribution from Railways.	5,62,92	5,63,75	5,05,56	—58,19	21,28,60	+16,23,04
XLV-B.—Contribution from Posts & Telegraphs . .	..	46,94	45,68	—1,26	77,06	+31,38
XLVI.—Miscellaneous	20,47,73	13,13,00	13,16,42	+3,42	9,74,72	—3,41,70
XLVI-A.—Receipts from Road and Water Transport Schemes—						
Gross Receipts .	86,21	96,99	97,67	+68	1,02,62	+4,95
Deduct—Working Expenses . .	*67,79*	*79,84*	*85,86*	*—6,02*	*86,64*	*—78*
Net Receipts .	18,42	17,15	11,81	—5,34	15,98	+4,17
TOTAL—MISCELLANEOUS . .	27,55,92	20,60,43	20,56,97	—3,46	33,21,35	+12,64,38
Carried over .	8,73,67,32	9,18,42,02	9,29,96,20	+11,54,18	10,25,29,26	+95,33,06

A.—Statement of the Revenue of the Central Government—*concld.*

(In thousands of Rupees)

Heads of Revenue	Accounts, 1959-60	Budget Estimate 1960-61	Revised Estimate, 1960-61	Increase (+) Decrease(—) as compared with Budget, 1960-61	Budget Estimate, 1961-62	Increase, (+) Decrease(—) as compared with Revised, 1960-61
I.—CONSOLIDATED FUND OF INDIA—*concld.*						
Brought forward	8,73,67,32	9,18,42,02	9,29,96,20	+11,54,18	10,25,29,26	+95,33,06
DEFENCE SERVICES—						
XLVII.—Defence Receipts—Effective .	21,40,71	20,69,81	20,74,69	+4,88	20,93,72	+19,03
XLVIII.—Defence Receipts—Non-effective . .	34,72	15,61	31,53	+15,92	20,90	—10,63
TOTAL—DEFENCE SERVICES . .	21,75,43	20,85,42	21,06,22	+20,80	21,14,62	+8,40
CONTRIBUTION AND MISCELLANEOUS ADJUSTMENTS—						
L.—Miscellaneous Adjustments between Union and State Governments	..	6,23	6,23	..	6,23	..
EXTRAORDINARY ITEMS—						
LI.—Extraordinary Receipts . .	16,57	10,00,01	5,00,04	—4,99,97	10,00,00	+4,99,96
LI-A.—Receipts on account of Community Development Projects, National Extension Services and Local Development Works	—3	1,31	1,94	+63	..	—1,94
LII-C.—Prepartition Receipts . .	5,30	..	..	..	..	..
TOTAL—EXTRAORDINARY ITEMS . .	21,84	10,01,32	5,01,98	—4,99,34	10,00,00	+4,98,02
RAILWAY REVENUE AS PER RAILWAY BUDGET	88,97,59	92,64,73	88,46,72	—4,18,01	1,10,26,85	+21,80,13
TOTAL—REVENUE .	9,84,62,18	10,41,99,72	10,44,57,35	+2,57,63	11,66,76,96	+1,22,19,61
Excess of Expenditure over Revenue or Deficit . . .	..	60,69,77	33,65,59	..	..	..

B.—Statement of the Expenditure met from Revenue of the Central Government

(In thousands of Rupees)

Heads of Expenditure	Accounts, 1959-60	Budget, Estimate 1960-61	Revised Estimate, 1960-61	Increase (+) Decrease(—) as compared with Budget, 1960-61	Budget Estimate, 1961-62	Increase (+) Decrease(—) as compared with Revised, 1960-61
I.—CONSOLIDATED FUND OF INDIA—						
COLLECTION OF TAXES, DUTIES AND OTHER PRINCIPAL REVENUES—						
1.—Customs	3,57,28	3,94,53	3,83,08	—11,45	4,02,42	+19,34
2.—Union Excise Duties	80,88,12	81,48,37	81,92,09	+43,72	7,00,10	—74,91,99
3.—Corporation Tax	..	3,03,50	2,84,81	—18,69	2,93,23	+8,42
4. Taxes on Income other than Corporation Tax	5,33,36	2,59,29	2,63,90	+4,61	2,76,26	+12,36
5.—Estate Duty	..	6,75	6,22	—53	6,32	+10
5-A.—Taxes on Wealth	..	15,74	15,53	—21	14,77	—76
5-B.—Taxes on Railway fares	8,71	8,00	10,00	+2,00	..	—10,00
5-C.—Expenditure Tax	..	2,02	1,86	—16	1,69	—17
5-D.—Gift Tax	..	2,02	1,66	—36	1,69	+3
6.—Opium	3,30,05	4,98,30	4,68,32	—29,98	5,40,85	+72,53
7.—Land Revenue	49,15	62,58	64,50	+1,92	73,12	+8,62
8.—State Excise Duties	40,98	36,75	44,79	+8,04	45,05	+26
9.—Stamps	2,27,55	2,55,58	2,55,54	—4	2,62,70	+7,16
10.—Forest	4,05,11	5,06,18	4,82,52	—23,66	3,91,05	—91,47
11.—Registration	1,78	2,22	2,67	+45	2,31	—36
12.—Taxes on Vehicles	30,18	33,03	35,49	+2,46	3,54	—31,95
12-A.—Sales Tax	11,11	11,34	12,09	+75	11,76	—33
13.—Other Taxes and Duties	2,05,31	1,87,17	2,05,17	+18,00	18,97	—1,86,20
TOTAL—COLLECTION OF TAXES, DUTIES AND OTHER PRINCIPAL REVENUES	1,02,88,69	1,07,33,37	1,07,30,24	—3,13	30,45,83	—76,84,41
REVENUE ACCOUNT OF IRRIGATION WORKS—						
17.—Irrigation, Navigation, Embankment and Drainage Works (Commercial)	..	..	..	..	..	..
18.—Irrigation, Navigation, Embankment and Drainage Works (Non-Commercial)	11,79	16,72	12,66	—4,06	14,94	+2,28
TOTAL—REVENUE ACCOUNT OF IRRIGATION WORKS	11,79	16,72	12,66	—4,06	14,94	+2,28
CARRIED OVER	1,03,00,48	1,07,50,09	1,07,42,90	—7,19	30,60,77	—76,82,13

B.—Statement of the Expenditure met from Revenue of the Central Government—*Contd.*

(In thousands of Rupees)

Heads of Expenditure	Accounts, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Increase (+) Decrease(—) as compared with Budget, 1960-61	Budget Estimate, 1961-62	Increase (+) Decrease(—) as compared with Revised, 1960-61
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
Brought forward .	1,03,00,48	1,07,50,09	1,07,42,90	—7,19	30,60,77	—76,82,13
POSTS AND TELEGRAPHS REVENUE ACCOUNT—						
20.—Posts and Telegraphs—						
Interest on Debt .	3,46,46	..	..	..	..	..
Dividend to General Revenues . .	..	4,47,08	4,24,93	—22,15	5,03,83	+78,90
20-A.—Appropriations from P & T Surplus	..	4,36,91	7,07,36	+2,70,45	6,52,94	—54,42
TOTAL—POSTS AND TELEGRAPHS REVENUE ACCOUNT . .	3,46,46	8,83,99	11,32,29	+2,48,30	11,56,77	+24,48
DEBT SERVICES—						
22.—Interest on Debt and other Obligations . . .	1,70,06,66	1,91,79,76	1,89,09,85	—2,69,91	2,13,61,93	+24,52,08
Deduct— Interest transferred to—						
Railways . .	*49,45,66*	*51,63,27*	*51,60,08*	*+3,19*	*56,55,35*	*—4,95,27*
Posts and Telegraphs . .	*3,50,66*	*4,00,14*	*3,79,25*	*+20,89*	*4,26,77*	*—47,52*
State Governments	*49,10,90*	*61,97,00*	*61,91,00*	*+6,00*	*71,55,00*	*—9,64,00*
Other heads .	*3,61,61*	*4,60,14*	*4,44,93*	*+15,21*	*4,35,13*	*+9,80*
TOTAL—TRANSFERS .	*1,05,68,83*	*1,22,20,55*	*1,21,75,26*	*+45,29*	*1,36,72,25*	*—14,96,99*
Net . . .	64,37,83	69,59,21	67,34,59	—2,24,62	76,89,68	+9,55,09
23.—Appropriation for Reduction or Avoidance of Debt .	5,00,00	5,00,00	5,00,00	..	5,00,00	..
TOTAL—DEBT SERVICES	69,37,83	74,59,21	72,34,59	—2,24,62	81,89,68	+9,55,09
Carried over . .	1,75,84,77	1,90,93,29	1,91,09,78	+16,49	1,24,07,22	—67,02,56

B.—Statement of the Expenditure met from Revenue of the Central Government—*Contd.*

(In thousands of Rupees)

Heads of Expenditure	Accounts, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Increase (+) Decrease(—) as compared with Budget 1960-61	Budget Estimte, 1961-62	Increase (+) Decrease(—) as compared with Revised 1960-61
I.— CONSOLIDATED FUND OF INDIA—*contd.*						
Brought forward	1,75,84,77	1,90,93,29	1,91,09,78	+16,49	1,24,07,22	—67,02,56
ADMINISTRATIVE SERVICES—						
25.— General Administration	15,75,66	17,09,89	17,03,45	—6,44	19,22,51	+2,19,06
26.— Audit	7,50,75	8,65,69	8,52,85	—12,84	8,53,50	+65
27.— Administration of Justice	45,04	49,42	51,99	+2,57	54,35	+2,36
28.— Jails	16,58	15,97	19,04	+3,07	19,71	+67
29.— Police	8,60,81	11,15,57	12,73,76	+1,58,19	19,09,06	+6,35,30
35/29-A.— External Affairs	8,90,92	10,37,33	10.36,66	—67	10,77,75	+41,09
34.—Tribal Areas	10,64,69	12,64,87	12,14,75	—50,12	..	—12,14,75
TOTAL—ADMINISTRATIVE SERVICES	52,04,45	60,58,74	61,52,50	+93,76	58,36,88	—3,15,62
SOCIAL AND DEVELOPMENTAL SERVICES—						
30.— Ports and Pilotage	45,81	39,44	39,55	+11	38,77	—78
30-A.—Mercantile Marine	63,62	67,92	67,98	+ 6	75,15	+7,17
31.—Lighthouses and Lightships	63,33	74,27	79,76	+5,49	80,65	+89
36.— Scientific Departments	19,71,86	23,51,39	23,07,83	—43,56	26,59,41	+3,51,58
37.— Education	36,68,66	45,35,47	44,16,36	—1,19,11	29,55,60	—14,60,76
38.— Medical	6,68,27	8,83,47	8,28,28	—55,19	7,12,00	— 1,16,28
39.— Public Health	8,05,86	12,01,48	10,44,23	—1,57,25	5,69,84	—4,74,39
40.— Agriculture	13,84,45	14,50,55	14,36,98	—13,57	9,98,72	—4,38,26
40-A.— Rural Development	86,37	99,52	1,00,46	+94	74	—99,72
41.— Animal Husbandry	2,12,92	2,82,32	2,77,02	—5,30	1,37,32	—1,39,70
42.—Co-operation	2,50,87	3,52,59	3,40,36	—12,23	2,63,40	—76,96
43.—Industries and Supplies	53,10,85	64,45,57	60,07,93	—4,37,64	53,70,35	—6,37,58
43A.—Capital Outlay on Industrial Development met from Revenue	..	..	5,20	+5,20	6,00	+80
44.—Aviation	9,03,42	3,76,40	3,70,51	—5,89	3,73,65	+3,14
45.— Broadcasting	4,20,02	4,56,44	4,41,96	—14,48	4,72,02	+30,06
46.— Labour and Employment	..	..	..	..	4,16,61	+4,16,61
47.—Miscellneous Departments	15,40,35	21,00,62	20,88,04	—12,58	20,20,34	—67,70
47-A.—Community Development Projects, National Extension Service and Local Development Works	..	..	..	..	1,96,08	+1,96,08
TOTAL—SOCIAL AND DEVELOPMENTAL SERVICES	1,73,96,66	2,07,17,45	1,98,52,45	—8,65,00	1,73,46,65	—25,05,80
Carried over	4,01,85,88	4,58,69,48	4,51,14,73	—7,54,75	3,55,90,75	—95,23,98

B.—Statement of the Expenditure met from Revenue of the Central Government —*Contd.*

(In thousands of Rupees)

Heads of Expenditure	Accounts, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Increase (+) Decrease(—) as compared with Budget, 1960-61	Budget Estimate, 1961-62	Increase (+) Decrease(— as compared with Revised, 1960-61
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
Brought forward .	4,01,85,88	4,58,69,48	4,51,14,73	—7,54,75	3,55,90,75	—95,23,98
CURRENCY AND MINT—						
48.—Currency .	3,75,77	3,67,61	4,27,21	+59,60	5,05,91	+78,70
49.—Mint . .	6,03,31	6,59,52	6,59,48	—4	6,90,57	+31,09
TOTAL—CURRENCY AND MINT . .	9,79,08	10,27,13	10,86,69	+59,56	11,96,48	+1,09,79
CIVIL WORKS, ETC.—						
50.—Civil Works .	14,86,34	19,42,18	20,53,18	+1,11,00	20,61,89	+8,71
51-B.—Other Revenue Expenditure connected with Multi-purpose River Schemes .	63,35	78,70	94,44	+15,74	83,77	—10,67
TOTAL—CIVIL WORKS .	15,49,69	20,20,88	21,47,62	+1,26,74	21,45,66	—1,96
ELECTRICITY SCHEMES—						
52. Interest on capital outlay on Electricity Scheme . .	..	..	2,49	+2,49	11,01	+8,52
52-A.—Other Revenue Expenditure connected with Electricity Schemes .	6,33	10,55	9,03	—1,52	16,50	+7,47
TOTAL—ELECTRICITY SCHEME .	6,33	10,55	11,52	+97	27,51	+15,99
MISCELLANEOUS—						
54.—Famine . .	4,15	1,30	8,71	+7,41	2,80	—5,91
54-A.—Territorial and Political Pensions .	23,10	23,46	23,46	..	23,58	+12
54-B.—Privy Purses and Allowances of Indian Rulers .	5,36,51	5,44,59	5,54,37	+9,78	5,44,78	—9,59
55.—Superannuation Allowances and Pensions . .	4,37,43	4,43,02	4,55,04	+12,02	4,72,36	+17,32
56.—Stationery and Printing . .	3,17,51	2,48,97	3,44,39	+95,42	3,77,39	+33,00
57.—Miscellaneous .	90,41,45	1,29,47,85	1,23,81,95	—5,65,90	50,23,52	—73,58,43
TOTAL—MISCELLANEOUS	1,03,60,15	1,42,09,19	1,37,67,92	—4,41,27	64,44,43	—73,23,49
DEFENCE SERVICE—						
58.—Defence Services Effective—Army .	1,61,54,43	1,94,68,19	1,93,40,87	—1,27,32	2,02,50,95	+9,10,08
59.—Defence Services Effective—Navy .	15,05,95	19,52,09	18,84,98	—67,11	20,01,45	+1,16,47
60.—Defence Services Effective—Air Force	60,91,35	62,69,94	60,28,05	—2,41,89	62,93,98	+2,65,93
60-A.—Defence Services—Non-Effective	15,09,42	16,21,20	15,24,70	—96,50	18,60,00	+3,35,30
TOTAL—DEFENCE SERVICES . .	2,52,61,15	2,93,11,42	2,87,78,60	—5,32,82	3,04,06,38	+16,27,78
Carried over . .	7,83,42,28	9,24,48,65	9,09,07,08	—15,41,57	7,58,11,21	—1,50,95,87

B.—Statement of the Expenditure met from Revenue of the Central Government—*Concld.*

(In thousands of Rupees)

Heads of Expenditure	Accounts, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Increase (+) Decrease(—) as compared with Budget, 1960-61	Budget Estimate, 1961-62	Increase (+) Decrease(—) as compared with Revised, 1960-61
I.—CONSOLIDATED FUND OF INDIA—*concld.*						
Brought forward	7,83,42,28	9,24,48,65	9,09,07,08	—15,41,57	7,58,11,21	—1,50,95,87
CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS.—						
61.—Grants-in-aid to States	48,77,98	51,65,00	51,65,00	..	2,08,08,36	+1,56,43,36
62.—Miscellaneous Adjustments between Union and State Governments	15,65	16,14	22,34	+6,20	22,33	—1
62-A.—Payments of States' Share of Union Excise Duties	..	..	..	..	76,33,15	+76,33,15
62-B.—Other Miscellaneous Contributions and Assignments	..	..	..	..	2,61,85	+2,61,85
TOTAL—CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS	48,93,63	51,81,14	51,87,34	+6,20	2,87,25,69	+2,35,38,35
EXTRAORDINARY ITEMS—						
63.—Extraordinary Charges	..	10,00,00	5,00,00	—5,00,00	10,55,16	+5,55,16
63-B.—Community Development Projects, National Extension Service and Local Development Works	20,45,02	23,22,25	23,36,76	+14,51	..	—23,36,76
64-B.—Civil Defence	91	82	86	+4	..	—86
64-C.—Pre-partition Payments	27,63	51,90	44,18	—7,72	31,53	—12,65
TOTAL—EXTRAORDINARY ITEMS	20,73,56	33,74,97	28,81,80	—4,93,17	10,86,69	—17,95,11
RAILWAY EXPENDITURE AS PER RAILWAY BUDGET	88,97,59	92,64,73	88,46,72	—4,18,01	1,10,26,85	+21,80,13
TOTAL—EXPENDITURE MET FROM REVENUE	9,42,07,06	11,02,69,49	10,78,22,94	—24,46,55	11,66,50,44	+88,27,50
Excess of Revenue over Expenditure or Surplus	42,55,12	..	..		26,52	

C.—Statement of the Receipts and Disbursements of the Central Government

(In thousands of Rupees)

RECEIPTS	Accounts, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
I.—CONSOLIDATED FUND OF INDIA				
Excess of Revenue over Expenditure (from Statement B) . . .	42,55,12	..	..	26,52
PUBLIC DEBT—				
A.—Debt raised in India—				
I.—PERMANENT DEBT—				
New Loans	3,78,97,32	2,50,00,00	2,30,70,39	2,25,00,00
Annuity Certificates . . .	64,98	2,00,00	80,00	1,50,00
Five-year Interest-free Prize Bonds, 1965	..	..	12,50,00	10,00,00
TOTAL—PERMANENT DEBT	3,79,62,30	2,52,00,00	2,44,00,39	2,36,50,00
II.—FLOATING DEBT—				
Treasury Bills . . .	51,51,11,75	53,40,32,00	48,04,94,25	51,14,41,00
Other Items	71,42,80	..	3,45,00	3,45,00
TOTAL—FLOATING DEBT .	52,22,54,55	53,40,32,00	48,08,39,25	51,17,86,00
B.—*Debt raised in England* . .	73,08,93	12,80,00	39,97,00	27,00
C.—Other Debt	1,13,88,94	3,18,41,00	2,40,67,00	3,85,68,00
TOTAL—PUBLIC DEBT . .	57,89,14,72	59,23,53,00	53,33,03,64	57,40,00
LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT—				
Advances to State Governments .	80,84,72	1,03,00,37	1,06,54,44	1,21,48,25
Other Loans and Advances .	24,07,82	25,18,05	27,98,82	54,50,39
TOTAL—LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT	1,04,92,54	1.28,18,42	1,34,53,26	1,75,98,64
INTER-STATE SETTLEMENT	..	..	..	..
TOTAL.—I.—CONSOLIDATED FUND OF INDIA—RECEIPTS	59,36,62,38	60,51,71,42	54,67,56,90	59, 16,56,16

C.—Statement of the Receipts and Disbursements of the Central Government—*Contd.*

(In thousands of Rupees)

DISBURSEMENTS	Accounts, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
I.—CONSOLIDATED FUND OF INDIA—*contd.*				
Excess of Expenditure over Revenue (from Statement A) . . .	..	60,69,77	33,65,59	..
CAPITAL ACCOUNTS NOT MET FROM REVENUE—				
Railway Capital (as shown in Railway Budget)	74,68,97	1,20,81,00	1,23,62,02	1,60,00,00
Posts & Telegraphs . . .	8,08,62	15,45,00	12,05,47	12,58,79
Forest	4,61	5,62	5,47	5,80
Security Printing Press . . .	1,37	13,34	10,95	32,58
Irrigation	7,75	25,80	30,61	36,80
Improvement of Public Health .	11,07	34,00	50,00	56,00
Agricultural Improvement and Research	5,22,70	6,41,74	5,85,78	7,72,44
Industrial Development . .	58,60,28	94,71,40	98,69,53	1,07,15,44
Civil Aviation	3 78,25	4,60,60	4,58,88	4,36,41
Broadcasting	64,84	1,00,25	1,00,25	3,30,00
Ports	1,26,21	2,25,20	1,65,58	2,37,50
Currency and Coinage . . .	95,26,65	3,41,85	7,10,42	7,82,07
Mint	11,52	10,15	11,63	6,91
Delhi Capital Outlay . . .	5,53,14	6,95,41	6,95,41	12,30,00
Multi-purpose River Schemes .	4,24,53	2,70,21	1,09,38	3,34,75
Civil Works	14,99,99	22,63,59	34,09,59	39,87,09
Electricity Schemes . . .	62,44	1,00,73	82,72	94,47
Capital Outlay on Other Works .	1,34,11	2,09,00	2,27,53	5,01,15
Road and Water Transport Schemes	21,26	24,50	24,50	40,43
Capital Outlay on Shipping Tankers, etc.	34,00	1,45,49	30,00	1,75,01
Dandakaranya Development Scheme	2,22,74	6,06,25	5,68,00	5,40,00
Payments of Commuted Value of Pensions	—42,16	—44,50	—25,94	57,78
Capital Outlay on Sterling Pensions	—3,68,45	—3,62,57	—3,62,57	—3,66,20
Compensation and Rehabilitation Grants to Displaced Persons	—34,20	5,18,28	—84,06	1,49,75
Payments to Retrenched Personnel	—12	—4	2	..
Transfer of Development assistance from the Government of U.S.A.	35,15,40	73,56,95	76,38,34	74,70,34
Defence Capital Outlay . .	36,10,87	37,74,00	36,24,95	32,00,60
Schemes of Government Trading	3,96,79	26,84,51	56,81,39	27,06,31
Capital outlay on Payments under Indus Water Treaty . . .	..	..	8,27,47	7,72,31
Grants for Development . .	9,27,46	12,43,40	12,46,99	13,22,38
TOTAL.—CAPITAL ACCOUNTS NOT MET FROM REVENUE . . .	3,57,50,64	4,44,41,16	4,92,60,31	5,28,86,91
PUBLIC DEBT—				
A.—Debt raised in India—				
I.—PERMANENT DEBT—				
Annuity Certificates . . .	..	30,00	22,00	50,00
Other Items . . .	1,16,97,80	1,08,70,00	1,08,60,00	1,37,00,00
CARRIED OVER . . .	1,16,97,80	1,09,00,00	1,08,82,00	1,37,50,00
CARRIED OVER . . .	3,57,50,64	5,05,10,93	5,26,25,90	5,28,86,91

C.—Statement of the Receipts and Disbursements of the Central Government—*Contd.*

(In thousands of Rupees)

DISBURSEMENTS	Accounts, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
I.—CONSOLIDATED FUND OF INDIA—*concld.*				
Brought forward . . .	3,57,50,64	5,05,10,93	5,26,25,90	5,28,86,91
Brought forward . . .	1,16,97,80	1,09,00,00	1,08,82,00	1,37,50,00
II.—FLOATING DEBT—				
Treasury Bills . . .	50,78,83,50	51,87,32,00	48,39,94,25	50,50,41,00
Other Items . . .	3,42,00	3,42,86	3,42,86	3,42,86
TOTAL—FLOATING DEBT . .	50,82,25,50	51,90,74,86	48,43,37,11	50,53,83,86
III.—Other Loans	..	..	..	..
B.—Debt raised in England— . .	1,75	1,52	1,47	2,01,48
C.—Other Debt	9,46,49	27,68,75	17,53,52	24,86,29
TOTAL—PUBLIC DEBT .	52,08,71,54	53,27,45,13	49,69,74,10	52,18,21,63
LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT—				
Advances to State Governments .	2,75,46,50	3 31,50,56	3,34,59,89	3,95,17,54
Other Loans and Advances .	2,17,73,09	1,76,74,30	1,59,23,45	1,61,25,29
TOTAL—LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT .	4,93,19,59	5,08,24,86	4,93,83,34	5,56,42,83
INTER-STATE SETTLEMENT . .	12,07	29	29	1,79,15
TOTAL—I.—CONSOLIDATED FUND OF INDIA—DISBURSEMENTS	60,59,53,84	63,40,81,21	59,89,83,63	63,05,30,52

C.—Statement of the Receipts and Disbursements of the Central Government—*Contd.*

(In thousands of Rupees)

	Accounts, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
RECEIPTS				
II.—CONTINGENCY FUND OF INDIA.				
CONTINGENCY FUND OF INDIA—				
Appropriations from the Consolidated Fund or from any Reserve Fund .	..	..	7	..
TOTAL—II.—CONTINGENCY FUND OF INDIA—RECEIPTS	..	..	7	..
DISBURSEMENTS				
II.—CONTINGENCY FUND OF INDIA.				
CONTINGENCY FUND OF INDIA—				
Expenditure out of advances from the Contingency Fund of India .	7	..	..	..
TOTAL.—II.—CONTINGENCY FUND OF INDIA—DISBURSEMENTS	7	..	..	..

C.—Statement of the Receipts and Disbursements of the Central Government—*Contd.*

(In thousands of Rupees)

RECEIPTS	Accounts, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
III.—PUBLIC ACCOUNT				
UNFUNDED DEBT—				
Deposit of Service Funds	2,39	70	2,33	2,26
Post Office Savings Bank Deposits	2,10,40,32	2,12,00,00	2,29,00,00	2,44,00,00
10-Year Treasury Savings Deposit Certificates	10,95,58	13,50,00	16,50,00	18,10,00
12-Year National Plan Savings Certificates	83,25,08	99,00,00	88,00,00	96,00,00
Cumulative Time Deposits	75,89	2,00,00	1,77,00	2,50,00
Post Office Cash Certificates	—27	..	..	..
National Savings Certificates	—6,08	..	..	..
10-Year National Plan Certificates	—6	..	..	..
State Provident Funds	51,45,73	66,03,00	68,98,28	69,76,67
Investment of Deposits of U.S. Government Counterpart Funds (Net)	..	..	2,40,00,00	96,00,00
Other Accounts	3,14,38	3,21,95	3,18,13	3,27,51
TOTAL—UNFUNDED DEBT	3,59,92,96	3,95,75,65	6,47,45,74	5,29,66,44
DEPOSITS AND ADVANCES—				
Depreciation and other Reserve Funds—				
(*a*) *Interest bearing*—				
Railway Depreciation and Revenue Reserve Funds as per Railway Budget	49,86,08	48,61,93	48,63,87	68,27,59
Railway Development Fund as per Railway Budget	35,12,69	26,06,12	17,83,51	32,36,65
P. & T. Renewals Reserve Fund	5,01,74	4,82,27	7,59,18	7,26,16
P. & T. Development Fund, P.&T. Revenue Reserve Fund and Telephone Development Fund	55,00	72,00	97,00	80,00
Other Reserve Funds	1,16,32	2,52,29	4,38,29	5,67,87
(*b*) *Non-Interest bearing*—				
Other Reserve Funds	24,68	46,34	45,24	44,99
Appropriation for Reduction or Avoidance of Debt	5,00,00	5,00,00	5,00,00	5,00,00
Carried over	96,96,51	88,20,95	84,87,09	1,19,83,26
Carried over	3,59,92,96	3,95,75,65	6,47,45,74	5,29,66,44

C.—Statement of the Receipts and Disbursements of the Central Government—*Contd.*

(In thousands of Rupees)

RECEIPTS	Accounts, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
III.—PUBLIC ACCOUNT—*contd.*				
Brought forward	3,59,92,96	3,95,75,65	6,47,45,74	5,29,66,44
Brought forward	96,96,51	88,20,95	84,87,09	1,19,83,26
Other Deposits and Advances—				
(*a*) *Interest bearing*—				
Shipping Development Fund	5,05,91	8,81,00	6,24,18	7,94,00
Deposits of Income Tax, Super Tax, Excess Profits Tax and Surcharge	36,87	40,00	28,50	25,00
Deposits towards Payment of Estate Duty	..	..	..	..
Deposits of Trusts for Indian Princes	4,87	4,69	4,74	4,57
Other Deposits	6,02,69	..	..	..
(*b*) *Non-Interest bearing*—				
Silver Redemption Reserve	1,80,40	..	..	1,67,01
Central Road Fund	3,60,00	4,38,54	4,10,00	4,00,00
Fund for the Benefit of Cotton-growers	17,91	50,00	35,00	26,44
Sugar (Temporary) Excise Fund	1,44	..	..	..
Fund for Protection of Sugar Industry	..	..	..	28,00
Fund for Relief for Groundnut Cultivators	24	11	33	11
Fund for Relief of Linseed Cultivators	..	..	..	..
Carried over	1,14,06,84	1,02,35,29	95,89,84	1,34,28,39
Carried over	3,59,92,96	3,95,75,65	6,47,45,74	5,29,66,44

C.—Statement of the Receipts and Disbursements of the Central Government—*Contd.*

(In thousands of Rupees)

RECEIPTS	Accounts, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
III.—PUBLIC ACCOUNT—*contd.*				
Brought forward . . .	3,59,92,96	3,95,75,65	6,47,45,74	5,29,66,44
Brought forward . . .	1,14,06,84	1,02,35,29	95,89,84	1,34,28,39
Fund for Development of Handloom and Khadi Industries. .	9,82,79	..	..	..
Special Development Fund—				
Fund from the sale proceeds of American Loan Wheat . .	8,96,59	12,71,28	12,92,06	13,41,13
Fund from the sale proceeds of Wheat received under the Colombo Plan	5,41,11	1,76,09	3,63,00	..
Fund from other Assistance under the Colombo Plan . . .	20,85,29	8,80,45	8,93,39	7,80,95
Fund from Assistance under the Indo-U.S. Technical Cooperation Agreement . . .	11,44,13	10,52,22	10,09,49	13,86,70
Fund from the sale proceeds of American Loan Commodities.	8,97,82	..	16,38,34	4,70,34
Fund from Assistance from Norway For Fisheries Community Development	42,98	40,00	35,00	35,00
Assistance under P.L 480 .	23,04,62	80,00,00	65,00,00	80,00,00
Coal Mines Labour Housing and General Welfare Fund . .	2,21,94	1,77,20	1,63,86	1,64,03
Mica Mines Labour Welfare Fund.	30,90	25,00	25,00	25,00
Cotton Textiles Fund . .	9	..	..	..
Iron and Steel Equalisation Fund	25,73,65	32,10,00	30,00,00	26,60,00
Post Office Certificates and Cumulative Time Deposits Bonus Fund	4,04,75	5,25,19	5,56,36	7,66,70
Deposits of Local Funds . .	7,21,82	7,38,53	8,88,06	10,45,12
Civil Deposits . . .	2,22,52,98	3,04,12,29	1,93,99,63	1,90,09,96
Other Deposits	61,41,68	60,18,67	57,04,67	58,55,37
Carried over . . .	5,26,49,98	6,27,62,21	5,10,58,70	5,49,68,69
Carried over . . .	3,59,92,96	3,95,75,65	6,47,45,74	5,29,66,44

C.—Statement of the Receipts and Disbursements of the Central Government—*Contd.*

(In thousands of Rupees)

RECEIPTS	Accounts, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
III.—PUBLIC ACCOUNT—*contd.*				
Brought forward . . .	3,59,92,96	3,95,75,65	6,47,45,74	5,29,66,44
Brought forward . . .	5,26,49,98	6,27,62,21	5,10,58,70	5,49,68,69
Deposits of Income Tax, Super Tax, Excess Profits Tax including Interest and Surcharge . .	20,09	8,70	40,65	7,50
Deposit account of the assistance given by the Ford Foundation.	..	1,50,00	3,00,00	3,50,00
Other Accounts	3,39,77	1,90,30	1,05,86	1,05,61
Accounts with the Government of Burma	1,19	70	30	30
Accounts with the Reserve Bank .	1,43	1,02,38	1,31,96	1,40,54
Other Advances	2,12,25,18	2,17,12,77	1,78,29,85	1,17,96,10
Value of One-rupee Notes issued .	5,00,00	5,00,00	5,00,00	5,00,00
Cash Balance Investment Account (net)	96,64	1,80,00	1,28,78	1,98,64
Profits on Coinage . . .	15,37,40	..	..	..
Discount Sinking Fund . .	54,49	2,13,52	2,13,63	1,90,64
Other Suspense Accounts (net) .	..	51,22,05	25,73,01	43,01,33
Cheques and Bills (net) . .	17,14,69	3,24,80	4,40,00	8,49,34
Departmental and Similar Accounts (net)	..	3,44,21	..	..
Miscellaneous . . .	26,58,83	4,17,69	1,57,46	8,05,50
TOTAL—DEPOSITS AND ADVANCES .	8,07,99,69	9,20,29,33	7,34,80,20	7,42,14,19
Carried over . . .	11,67,92,65	13,16,04,98	13,82,25,94	12,71,80,63

C.—Statement of the Receipts and Disbursements of the Central Government—*Contd.*

(In thousands of Rupees)

RECEIPTS	Accounts, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
III.—PUBLIC ACCOUNT—*contd.* Brought forward . .	11,67,92,65	13,16,04,98	13,82,25,94	12,71,80,63
REMITTANCES—				
I.—REMITTANCES WITHIN INDIA—				
Inland Money Orders . .	2,99,72,91	3,15,00,00	3,10,00,00	3,25,00,00
Other Remittances . . .	10,01,92	4,66,55	1,47,03	—21,88
Accounts between Civil and other Departments—				
Exchange Accounts between Civil and Posts and Telegraphs	46,71,18	38,50,66	58,20,90	..
Exchange Accounts between Civil and Defence Services .	2,08,43,46	2,47,92,16	2,56,31,01	2,81,84,96
II.—REMITTANCES BETWEEN ENGLAND AND INDIA				
Remittance Account between England and India . .	1,54,12,58	1,20,25,69	2,18,43,72	1,26,34,14
TOTAL—REMITTANCES	7,19,02,05	7,26,35,06	8,44,42,66	7,32,97,22
TRANSFER OF CASH BETWEEN ENGLAND AND INDIA—				
Remittances through the Reserve Bank	1,31,74,13	1,08,26,75	68,61,29	94,63,38
RESERVE BANK DEPOSITS—				
RAILWAYS	—73,62,55	—1,06,34,38	—1,39,55,33	—1,67,35,03
POSTS AND TELEGRAPHS . .	..	..	39,49,90	78,35,12
TOTAL III—PUBLIC ACCOUNT RECEIPTS	19,45,06,28	20,44,32,41	21,95,24,46	20,10,41,32
TOTAL—(I+II+III) . .	78,81,68,66	80,96,03,83	76,62,81,43	79,26,97,48
OPENING BALANCE . . .	34,86,76	50,50,00	69,66,51	50,39,33
GRAND TOTAL . . .	79,16,55,42	81,46,53,83	77,32,47,94	79,77,36,81

C.—Statement of the Receipts and Disbursements of the Central Government—*Contd.*

(In thousands of Rupees)

DISBURSEMENTS	Accounts, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
III.—PUBLIC ACCOUNT—				
UNFUNDED DEBT—				
Deposit of Service Funds	3,70	1,50	3,79	3,55
Post Office Savings Bank Deposits	1,84,63,15	1,88,00,00	1,94,00,00	2,08,50,00
10-Year Treasury Savings Deposits Certificates	1,22,01	6,50,00	3,50,00	9,60,00
12-Year National Plan Savings Certificates	14,35,08	20,00,00	17,50,00	20,00,00
Cumulative Time Deposits	18	..	2,00	5,00
Post Office Cash Certificates	66,82	20,00	67,00	55,00
Defence Savings Certificates	1,47	2,00	2,00	2,00
Defence Savings Bank Deposits	—5	..	..	..
National Savings Certificates	20,95,85	22,21,00	19,09,00	16,88,00
10-Year National Plan Certificates	1,23,57	1,27,00	1,05,00	1,00,00
State Provident Funds	28,66,62	27,96,34	29,36,06	31,35,62
Special Loans	62	32	62	62
Other Accounts	2,14,72	2,03,96	2,23,84	1,97,23
TOTAL—UNFUNDED DEBT	2,53,93,74	2,68,22,12	2,67,49,31	2,89,97,02
DEPOSITS AND ADVANCES—				
Depreciation and Other Reserve Funds—				
(*a*) *Interest bearing*—				
Railway Depreciation and Revenue Reserve Funds as per Railway Budget	68,35,76	62,98,33	69,92,58	73,56,55
Railway Development Fund as per Railway Budget	25,54,15	26,06,12	30,06,69	53,19,48
P.&T. Renewals Reserve Fund.	1,54,55	2,09,00	1,90,00	2,23,00
P.&T. Development Fund				
P.&T. Revenue Reserve Fund and Telephone Development Fund	1,54,37	1,50,00	1,30,00	1,00,00
Other Reserve Funds	64,68	4,85,80	5,33,23	3,59,38
(*b*) *Non-interest bearing*—				
Other Reserve Funds	17,74	20,02	41,04	49,67
OTHER DEPOSIT AND ADVANCES—				
(*a*) *Interest bearing*—				
Shipping Development Fund	8,00	6,00,00	5,15,70	10,90,50
Deposits of Income Tax, Super Tax, Excess Profits Tax and Surcharge	2,04,04	47,30	56,90	33,00
Other Deposits	1,41,95	..	..	..
Deposits towards Payment of Estate Duty	..	..	..	..
Carried over	1,01,35,24	1,04,16,57	1,14,66,14	1,45,31,58
Carried over	2,53,93,74	2,68,22,12	2,67,49,31	2,89,97,02

C.—Statement of the Receipts and Disbursements of the Central Government—*Conta.*

(In thousands of Rupees)

DISBURSEMENTS	Accounts, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
III.—PUBLIC ACCOUNT—*Contd.*				
Brought forward . . .	2,53,93,74	2,68,22,12	2,67,49,31	2,89,97,02
Brought forward . . .	1,01,35,24	1,04,16,57	1,14,66,14	1,45,31,58
Deposits under Section 10(2B) of the Indian Income Tax Act . .	..	2,06	1,00	30
Deposits of Trust for Indian Princes .	22,11	22,11	17,11	22,11
(b) *Non-Interest bearing*—				
Silver Redemption Reserve . .	..	..	..	8,05,49
Central Road Fund . . .	4,43,85	6,86,00	5,57,21	5,56,49
Fund for the Benefit of Cotton-growers	30,62	78,93	66,20	54,00
Cotton Textiles Fund . . .	28,17	38,80	36,22	39,00
Sugar (Temporary) Excise Fund .	1,63,43	..	..	..
Fund for Relief of Groundnut Cultivators	..	37	50	38
Fund for Relief of Linseed Cultivators	..	11	7	8
Fund for Development of Handloom and Khadi Industries . .	10,31,74	..	..	..
Special Development Fund—				
Fund from the sale proceeds of American Loan Wheat . . .	7,58,71	12,71,28	20,48,01	13,41,13
Fund from the sale proceeds of Wheat received under the Colombo Plan.	48,00	1,76,09	..	..
Fund from other Assistance under the Colombo Plan . . .	13,48,04	2,40,16	1,86,03	81,80
Fund from Assistance under the Indo-U.S. Technical Co-operation Agreement	10,10,41	9,34,65	9,04,16	9,15,20
Fund for the sale proceeds of American Loan Commodities. . .	51,09	..	..	..
Fund from Assistance from Norway for Fisheries Community Development	42,98	40,00	35,00	35,00
Assistance under P.L. 480 . .	..	7,00,00	15,01,25	9,10,00
Coal Mines Labour Housing and General Welfare Fund . .	3,47,16	1,61,95	1,54,28	1,76,95
Mica Mines Labour Welfare Fund .	17,46	24,67	24,40	30,68
Iron and Steel Equalisation Fund .	7,60,30	8,44,74	17,30,00	8,75,00
Workmen's Benefit Fund . .	..	..	2	..
Post Office Certificates and Cumulative Time Deposits Bonus Fund .	29,02	48,52	29,66	26,83
Deposits of Local Funds . .	7,89,67	7,79,07	8,39,48	10,00,11
Civil Deposits	2,16,37,11	3,03,66,40	1,89,70,86	1,85,37,47
Other Deposits	57,29,76	54,48,49	58,36,41	60,63,25
Deposits of Income Tax, Super Tax, Excess Profits Tax including Interest and Surcharge . .	12,56,29	29,10	20,14	42,72
Carried over . . .	4,56,81,16	5,23,10,07	4,44,24,15	4,60,45,57
Carried over . . .	2,53,93,74	2,68,22,12	2,67,49,31	2,89,97,02

C.—Statement of the Receipts and Disbursements of the Central Government—*Concld.*

(In thousands of Rupees)

DISBURSEMENTS	Accounts, 1959-60	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
III.—PUBLIC ACCOUNT—*Concld.*				
Brought forward	2,53,93,74	2,68,22,12	2,67,49,31	2,89,97,02
Brought forward	4,56,81,16	5,23,10,07	4,44,24,15	4,60,45,57
Deposit account of the assistance given by the Ford Foundation	..	75 57	1,03,09	83,92
Other Accounts	1,92,57	1,98,82	1,07,12	1,02,91
Account with the Government of Burma	9	5,50	1,66	1,66
Accounts with the Reserve Bank	4,82	1,01,17	1,41,19	1,41,16
Other Advances	2,22,34,57	2,19,87,61	1,43,82,77	1,17,84,04
Sale of Lease-Lend Silver	..	..	..	..
Cash Balance Investment Account (net)	..	..	..	..
Profits on Coinage	10,00,00	10,00,00	10,00,00	10,00,00
Discount Sinking Fund	..	..	92,84	..
Bonus on Loans	..	..	..	..
Other Suspense Accounts (net)	39,40,02	..	..	..
Cheques and Bills (net)	..	..	..	..
Departmental and Similar Accounts (net)	8,73,08	..	6,94,14	1,03,23
Miscellaneous	5,20,57	2,58,36	1,94,05	2,18
TOTAL—DEPOSITS AND ADVANCES	7,44,46,88	7,59,37,10	6,11,41,01	5,92,64,6
REMITTANCES—				
I—REMITTANCES WITHIN INDIA—				
Inland Money Orders	2,99,54,97	3,14,50,00	3,09,50,00	3,24,50,00
Other Remittances	3,62,51	5,37,90	2,33,17	1,05,75
Accounts between Civil and other Departments—				
Exchange Accounts between Civil and Posts and Telegraphs	31,69,46	38,50,66	58,20,90	..
Exchange Accounts between Civil and Defence Services	2,09,89,82	2,47,92,16	2,56,31,01	2,81,84,96
II.—REMITTANCES BETWEEN ENGLAND AND INDIA—				
Remittance Account between England and India	1,85,15,86	1,20,25,69	2,18,43,72	1,26,34,14
TOTAL—REMITTANCES	7,29,92,62	7,26,56,41	8,44,78,80	7,33,74,85
TRANSFER OF CASH BETWEEN ENGLAND AND INDIA—				
Remittances through the Reserve Bank	1,32,64,31	1,08,26,75	68,61,29	94,63,38
RESERVE BANK DEPOSITS—				
RAILWAYS	—73,62,55	—1,06,34,38	—1,39,55,33	—1,67,35,03
POSTS AND TELEGRAPHS	..	..	39,49,90	78,35,12
TOTAL III—PUBLIC ACCOUNT DISBURSEMENTS	17,87,35,00	17,56,08,00	16,9[illegible]4,98	16,22,00,01
TOTAL—(I+II+III)	78,46,88,91	80,96,89,21	76,82,08,61	79,27,30,53
Closing Balance	69,66,51	49,64,62	50,39,33	50,06,28
GRAND TOTAL	79,16,55,42	81,46,53,83	77,32,47,94	79,77,36,81

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C.S.

GOVERNMENT OF INDIA

ECONOMIC SURVEY, 1960-61

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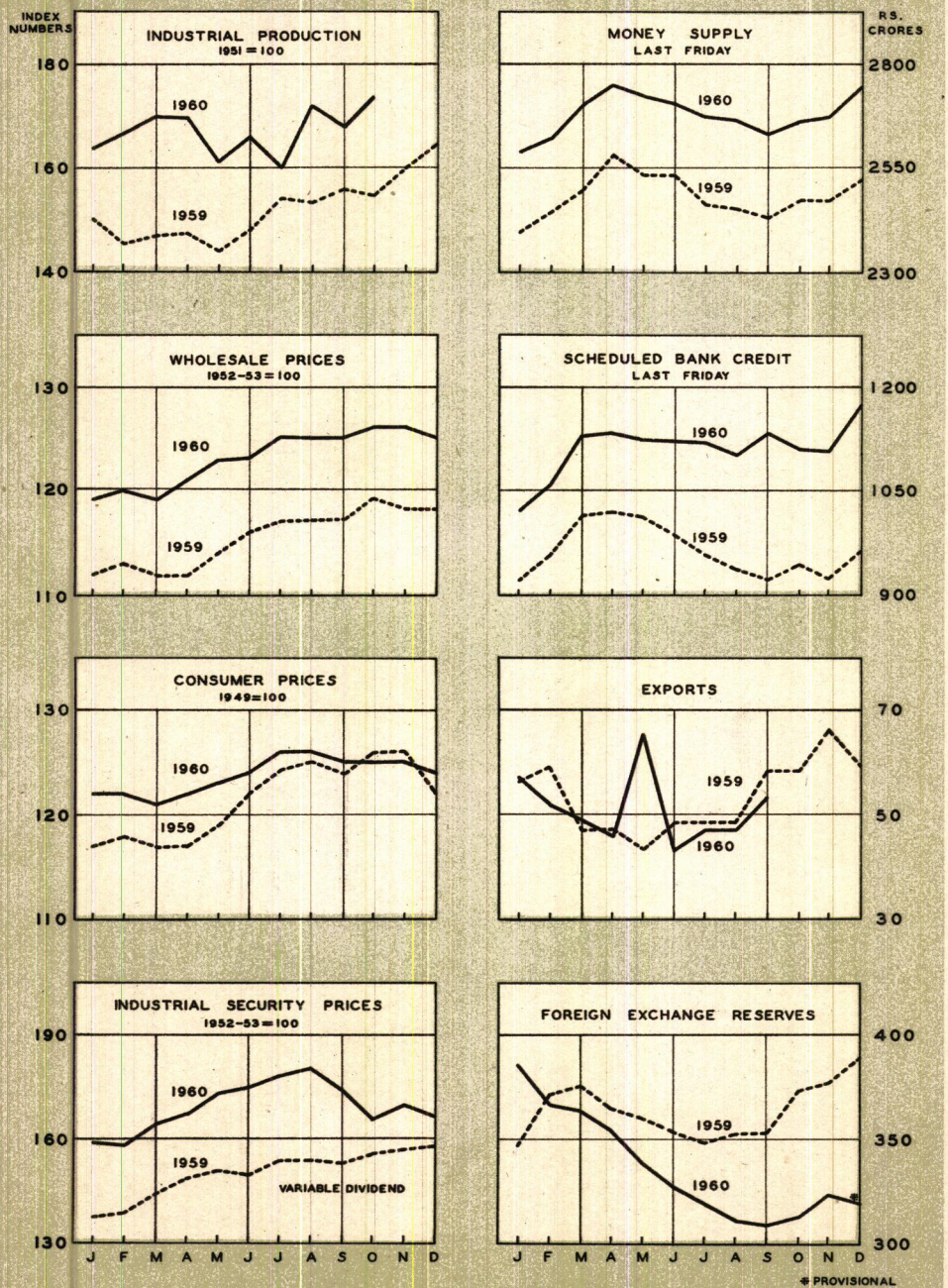
SELECTED ECONOMIC INDICATORS



* PROVISIONAL

MINISTRY OF FINANCE, ECONOMIC DIVISION.

ECONOMIC SURVEY—1960-61

The object of this Economic Survey is to present a review of the major developments in the economy in the course of 1960-61 and to assess the emerging trends so as to bring out the considerations relevant to the formulation of budgetary and economic policies for the coming year. This is the last year of the Second Plan, and since the Third Plan commences from the next fiscal year, references have been made in suitable contexts to the developments over the Second Plan period and the requirements of the Third Plan.

I. The Assessment In Brief

2. The broad assessment for 1960-61 that emerges from this review is that while the economy registered a continuing advance in several directions, the rise in prices and the strain on the balance of payments were indicative of a deficiency of the resources available relatively to the demands on them. The increase in industrial production was the highest on record; for the first ten months of 1960 it was 11·7 per cent over the level for the corresponding period of the previous year. The industrial expansion that has taken place both in the public and in the private sectors has strengthened the growth potential of the economy. With the adverse agricultural season of 1959-60, however, the production of foodgrains and agricultural raw materials recorded a decline and reduced domestic availabilities. The pull of demand factors on the other hand resulting from continued high levels of private and public expenditures was upward. In the result, wholesale prices recorded a rise of about 6·5 per cent. The substantial increase in money supply, the rising volume of bank lending, and the boom on the stock exchanges about the middle of the year reflected the emergence of a degree of excess liquidity in the system. Over the twelve months of 1960, there was a fall of Rs. 69 crores in foreign exchange reserves, about half of which was on account of repurchase of rupees from the International Monetary Fund. The measures taken to correct these imbalances have been outlined in the course of this survey.

3. Public investment has been stepped up steadily in the course of the Second Five Year Plan, the estimated level for 1960-61 being about Rs. 800 crores as compared to Rs. 570 crores in 1956-57. Private investment in organised industry was markedly high in the first two years of the Second Plan. It declined somewhat in 1958-59 but picked up again as from 1959-60. The available indices of new capital issues and of imports of capital goods, taken together with the increase in the domestic output of intermediate products and capital goods suggest that private investment in 1960-61 was also at a high level. The demand for consumer goods has also been rising steadily as a result of the increase in population and incomes.

4. As against these continuing increases in demand, the growth in national output in real terms has been uneven. In 1956-57, the increase was 5 per cent. The following year recorded a fall of 1 per cent because of the bad harvest. In 1958-59, there was a rise of 7·4 per cent in national income. But, again, on the "quick" estimates that are available, the increase in 1959-60 was only 0·5 per cent. These fluctuations in output accounted for mainly by the outturn in agriculture cannot but affect domestic prices and the balance of payments.

5. The outlook for 1961-62 both for agricultural and for industrial production appears encouraging. The fact that Government have in hand a large stock of foodgrains and that more imports are scheduled will assist in keeping prices relatively stable. The Third Plan, however, calls for increased investment, which means that the effort to raise domestic resources has to be accelerated. The task for the coming year —and for the Third Plan period—is to secure better results in terms of production as well as restraint on consumption. The investments undertaken have to be completed economically and as early as possible and brought into productive use. From the larger flow of resources thus becoming available year by year, the quantum of savings has to be increased through restraint on consumption. It is only through coordination of action in both these fields that larger surpluses can be mobilised effectively for development. It is in the nature of development that, up to a stage, each succeeding plan calls for a larger effort and a greater measure of economic discipline all-round. Economic policy in its different aspects has to focus on this central objective.

II. Production

6. Agricultural production* which had shown a substantial rise in 1958-59 declined by about 4 per cent in 1959-60 because of unfavourable weather. The output of foodgrains was about 5 per cent less than in the previous year. The output of rice, millets and gram was smaller; the wheat crop was at about the same level as in the previous year. The following table shows the comparative position:

Output of Foodgrains

(Million tons)

	1958-59	1959-60	Change Per cent.
Rice	30·3	29·3	—3·3
Wheat	9·8	9·7	—0·4
Other cereals	22·5	21·5	—4·4
All cereals	*62·6*	*60·5*	*—3·4*
Pulses	12·9	11·3	—12·7
All Foodgrains	75·5	71·8	—5·0

The index of foodgrains production (year ending June 1950=100) which had risen from 107·9 in 1957-58—an exceptionally bad year—to 130·1 in 1958-59 slipped down to 124·3 in 1959-60.

7. Among commercial crops, sugarcane recorded an increase of 6·6 per cent. Other 'miscellaneous' crops such as tobacco, potato, chillies and ginger also showed increases. These were, however, more than offset by sharp declines in the production of raw cotton, raw jute and

* The years are agricultural years July—June.

oilseeds. The following table summarises the position in respect of commercial crops:

Output of Commercial Crops

	1958-59	1959-60	Change per cent.
Cotton (million bales)	4·69	3·84	—18·2
Jute (million bales)	5·16	4·55	—11·8
Oilseeds (million tons)	6·91	6·35	—8·0
of which:			
Groundnuts (million tons)	4·81	4·39	—8·8
Sugarcane (million tons) (in terms of gur)	7·11	7·58	+6·6
Index of production of 'non-foodgrains' (1949-50=100)	136·7	133·1	—2·6

8. Industrial production which had shown a marked uptrend in 1959 increased even faster in 1960. For the first ten months of the year the index (1951=100) averaged 167·5, *i.e.*, an increase of 11·7 per cent over the corresponding period of 1959. The increase in industrial output was shared by almost all industries; but, as in the previous year, the contribution of intermediate products and capital goods (which account for about half of the 'weights' in the index of industrial production) was the more significant, being over two-thirds of the total increase. In a large number of industries such as soda ash and caustic soda, electric motors, power driven pumps, looms, power transformers, sulphuric acid, automobiles, rubber tyres and tubes, refractories and cables and wires, there were substantial increases in production capacity. Consumer industries such as electric fans, radio receivers, domestic refrigerators, motor cycles, clocks, viscose yarn, paper and cigarettes also added to their installed capacity.

9. The most marked increases in production were in respect of iron ore, iron and steel, electricity, industrial machinery, sugar, paper and paper board, rubber products, chemicals, cement, general and electrical engineering goods and transport equipment. The output of automobiles rose from 36·5 thousand units in 1959 to 51·7 thousand units—an increase of about 90 per cent as compared to the level of production in 1958 and of over 60 per cent as compared to 1957. The output of mill cloth at 5044 million yards was about 120 million yards higher than in 1959. The production of handloom and powerloom cloth in the first ten months of 1960 was, however, smaller by about 70 million yards. Among the consumer goods industries which registered increases in production during the year were: sugar (26 per cent), electric fans (36 per cent), sewing machines (17 per cent), radio receivers (23 per cent) and vanaspati (5 per cent).

10. The following table sets out the growth of industrial production over the last decade:

Index of Industrial Production

(1951=100)

Year	Index	Per cent change over the previous year
1952	103·6	+ 3·6
1953	105·6	+ 1·9
1954	112·9	+ 6·9
1955	122·4	+ 8·4
1956	132·6	+ 8·3
1957	137·3	+ 3·5
1958	139·7	+ 1·7
1959	151·9	+ 8·7
1960	167·5*	+11·7*

*For the period January to October

Currently, industrial production is running at a rate about two-thirds higher than in 1951; the rise since 1955 has been about 37 per cent. Over the nine years from 1951, consumer goods industries as a group have shown an increase in output of about 45 per cent, while the output of intermediate products and capital goods industries has gone up by about 85 per cent. Since the two groups of industries have about the same weight in the index of industrial production, intermediate products and capital goods account for about two-thirds of the increase in the index.

III. Employment

11. The number of applicants on the live registers of the employment exchanges rose from 14·2 lakhs at the end of 1959 to 16·1 lakhs by the end of 1960—an increase of 1·9 lakhs as compared to 2·4 lakhs in 1959. During the year, the number of vacancies notified went up from 4·2 lakhs in 1959 to 5·2 lakhs and the number of placements also rose from 2·7 lakhs to 3·1 lakhs. The following table gives the occupational preferences of persons registered with employment exchanges at the end of December 1960:

Occupational Preferences of Applicants on Live Registers

	Persons	
	'000 Nos.	Per cent
1. Professional, technical and related workers	70·4	4·4
2. Administrative, executive and managerial workers	3·2	0·2
3. Clerical, sales and related workers	92·8	5·8
4. Agricultural, dairy and related workers	8·7	0·5
5. Miners, quarrymen and related workers	3·0	0·2
6. Workers in transport and communications	36·0	2·2
7. Craftsmen and production process workers	112·7	7·0
8. Service workers (e.g. cooks, chowkidars, sweepers, etc.)	70·4	4·4
9. Labourers with work experience not elsewhere classified	91·2	5·7
10. Persons without professional or vocational training and/or persons without previous work experience	1,117·7	69·6
TOTAL	1,606·2	100·0

It will be seen that of those seeking employment over two-thirds were persons without professional or vocational training and/or without previous work experience.

12. Another classification of applicants on live registers shows that at the end of 1960, the number of educated applicants was 5·1 lakhs—*i.e.* a little less than one-third of the total of 16·1 lakhs. Among the educated unemployed registered with the employment exchanges, nearly four-fifths were matriculates and the rest under-graduates and graduates.

13. Average daily employment in cotton mills in the first nine months of 1960 increased from 7·60 lakhs in January-September, 1959 to 7·69 lakhs. Data in respect of coal mining also indicate an increase in employment. Many of the new and rapidly expanding industries particularly engineering industries like automobiles, machine tools and electrical machinery and appliances, heavy chemicals, rayon, dyes, paper and paper board, cement, glass and ceramic products etc., show a substantial increase in employment during the year. Road building, residential construction, small scale industries and expansion of social services like education and health would also have had their impact on the volume of employment.

14. Employment under the Central Government (excluding the railways which employ about 1·2 million persons) has, for instance, gone up from 648,000 in 1955 to 754,000 by mid-1960. At the end of 1959, the total numbers employed by the Central and State Governments (excluding the railways), quasi-government organisations, public sector projects and local bodies, has been estimated at 5 million as compared to 4·28 million at the end of 1958 and 3·5 million in March 1956. The figures compiled by the Development Wing of the Ministry of Commerce and Industry in respect of selected industrial units covering about one-sixth of the total factory employment show an annual increase of 6 to 8 per cent. in employment in these industries since 1956. Altogether, the increases that have taken place in agricultural and in industrial production as also in construction activity and in social services over the last few years have, undoubtedly, enlarged the demand for labour—whether of the self-employed or of those engaged to work on payment of wages. Nevertheless, the studies made in the Planning Commission suggest that the creation of new employment opportunities during the Second Plan period has, on the whole, lagged behind the increases in labour force. The answer to this problem has, of course, to be found through larger investment, supplemented suitably by local works.

IV. Monetary Trends

15. The trend towards an increased rate of expansion of money supply noticed in 1959 became more pronounced in 1960. The annual increases in money supply over the last five years have been as follows:

Increase in Money Supply

	Rs. crores	Percentage increase
1956	131	6·4
1957	96	4·4
1958	75	3·3
1959	171	7·3
1960	217	8·7

The major factor accounting for this change is that while up to about the end of 1958, the drawing down of sterling balances exerted a markedly contractionist influence, this factor has since then been of little significance.

16. The following table brings out the major factors in the changes in money supply in 1960 and in 1959 as also over the period 1956 to 1960:

(Rs. crores)

	1960	1959	End December 1960 over December 1955
I. Increase (+) in Govt. indebtedness to the Banking System	+25·6	+247·0	+1401·8
(*i*) Increase (+) in Indebtedness to RBI	+175·4	+94·8	+1155·4
(*ii*) Increase (+) in Govt. securities held by the Banks	—149·8	+152·2	+246·4
II. Increase (+) in Private Indebtedness to banks	+235·8	—107·2	—67·2
(*i*) Increase (+) in Bank Credit	+246·1	+128·8	+643·3
(*ii*) Decrease (+) in Time Liabilities of banks	—10·3	—236·0	—710·5
III. Increase (+) in Foreign Assets of the R.B.I.	—26·9*	+24·3	—638·2**
IV. Expansionary (+) impact of changes in other assets and liabilities of the Banking System	—17·1	+7·3	—4·9
V. Recorded increase (+) in Money Supply	+217·4	+171·4	+691·5

*Exclusive of repayments (Rs. 34·5 crores) to the I.M.F.

**Exclusive of net borrowings (Rs. 54·7 crores) from the I.M.F.

The analysis in the table above is in terms of recorded changes in the balance sheets of banks and the Reserve Bank. Part of the differences in 1960 as compared to 1959 is on account of the revision of arrangements regarding P.L.480 funds. In the past these funds were deposited with the State Bank of India, which in turn invested them mainly in Government securities. Since May 12, 1960 these funds flow directly to Government through purchase of special securities by the U.S. Embassy. As from July 1960, past accumulations of P.L. 480 funds with the State Bank of India have been accruing to Government in monthly instalments of Rs. 12 crores each. In analysing monetary data, allowance has to be made for this change in procedure in respect of P.L. 480 funds. Broadly speaking, the data utilised above overstate the expansionary effect of bank credit to Government and understate the net expansion of bank credit to the private sector up to May 1960.

17. Subject to these qualifications, it will be seen that the larger expansion in money supply in 1960 as compared to 1959 was due, in the main, to an increase in private indebtedness to banks. The increase in Government's indebtedness was very much smaller than in 1959—Rs. 25·6 crores as compared to Rs. 247·0 crores in 1959. There was a fall in the holdings of Government securities by the banks but a larger expansion in the Reserve Bank's holdings. The increase in private indebtedness to banks in 1960, it may be noted, was the result of a larger rise in bank credit than in 1959, coupled with a fall in the accretion of time deposits from Rs. 236·0 crores in 1959 to Rs. 10·3 crores in 1960.

18. Over the five year period—covering more or less the period of the Second Plan—the expansionary impact of the increase of about Rs. 1,400 crores in Government's indebtedness to the banking system and of the increase of Rs. 643 crores in bank credit to the private sector was offset partly by a rise in time deposits of about Rs. 710 crores and a fall in foreign exchange assets of the Reserve Bank of India of about Rs. 638 crores.

19. In 1960 scheduled bank credit rose by Rs. 216 crores, *i.e.* by 22·4 per cent. as compared to a rise of Rs. 99 crores or 11·4 per cent in 1959. Expansion in credit was, to a large part, in response to the increasing requirements of trade and industry, but the rate of increase has, nevertheless, been somewhat on the high side. An analysis of the changes in secured advances by scheduled banks since 1958 is given in table 3·3 at the end. These advances increased by Rs. 221·9 crores in 1960; the increase in 1959 was Rs. 81·2 crores. Of the total increase in 1960, manufactures and minerals as a group accounted for Rs. 100 crores and advances against 'other' securities such as shares, debentures, Government securities, real estate, assets of industrial concerns etc. went up by Rs. 53·3 crores. Advances against sugar and gur rose by Rs. 26·9 crores and those against cotton and kapas by Rs. 22·5 crores. In the manufacturing group nearly half the increase in advances was against iron, steel and engineering products (Rs. 49·7 crores) and about a sixth against cotton textiles (Rs. 16·2 crores). The ratio of scheduled banks' advances against all manufactures and minerals to total credit went up from 38·8 per cent at the end of 1959 to 43·9 per cent towards the close of 1960. The credit needs of the economy are inevitably on the increase. Production cannot be allowed to suffer for lack of credit. At the same time, care has to be taken to ensure that credit expansion does not accentuate speculative activities and inflationary trends.

20. The continuing high levels of demand for credit and the impact of the credit restraint measures taken by the Reserve Bank since March

1960 were reflected in acute stringency in the short term money market. The call money rate in Bombay which was 3½ per cent from mid-December 1959 till September 1960 went up to 4½ per cent. by the third week of October. There was some easing in money rates following relaxation in the reserve requirements in November but with the progress of the busy season the rates hardened again, the call rate in Bombay and Calcutta rising to 5¼ per cent per annum. These rates were higher by about 1½ to 2 per cent than the corresponding rates a year ago.

21. While demand liabilities of scheduled banks increased by Rs. 63·6 crores in 1960, time liabilities increased by only Rs. 1·7 crores; the increases in 1959 were Rs. 22·9 crores in demand liabilities and Rs. 230·6 crores in time liabilities. The change is partly the result of the revision mentioned earlier, of the arrangements relating to P.L. 480 funds. Even allowing for this, the rise in deposit liabilities in 1960 was lower than in 1959.

22. The small growth in deposit liabilities combined with the sharp increase in bank credit resulted in a rise in the credit deposit ratio—from 52·8 per cent at the end of 1959 to 62·4 per cent at the end of 1960. Excluding P.L. 480 deposits, the ratio worked out at 71 per cent in December 1960 as compared to 63 per cent a year ago. In the circumstances, the scheduled banks reduced their holdings of gilt-edged and increased their borrowings from the Reserve Bank. Their investments in Government securities declined by Rs. 154 crores to Rs. 633 crores partly for this reason and partly because of the transfer of P.L. 480 deposits from the State Bank of India to Government. The outstandings of scheduled banks' borrowings from the Reserve Bank went up by Rs. 49·6 crores over the year.

23. Over the last three years while in the busy season bank credit has expanded considerably, the contraction in the slack season has tended to be smaller.

Seasonal Movements in Scheduled Bank Credit

(Rs. crores)

	1960-61 (Up to Jan. 27, 1961)	1959-60	1958-59	1957-58
Busy season	+115·6*	+188·8	+181·7	+89·4
Slack season	—	—20·3	—78·9	—117·9

*Credit expansion during the corresponding period in the 1959-60 busy season was Rs. 78·4 crores

It is against this background of increasing pressure of demand for credit in the face of the limited resources available with the banks that the orientation of Reserve Bank policy to which reference is made in a subsequent section has to be viewed.

24. The market for gilt-edged remained fairly steady during the greater part of the year. The index number of prices of Government and semi-Government securities (1952-53=100) moved within a narrow range of 101·5 to 101·1 till September 1960. There was a fall in gilt-edged prices in subsequent months, the index touching 100·6 in the first week of November. This was followed by a partial recovery, the index at the end of December 1960 being 100·7. The net fall over the year was thus 0·8 per cent. The current level of the index—at 100·7—is slightly above that at the end of 1958.

25. The gross borrowing of the Central and State Governments in 1960-61 amounted to Rs. 260 crores as compared to Rs. 298 crores in 1959-60. Net borrowings (*i.e.* receipts allowing for conversions and repayments) were Rs. 138 crores—Rs. 71 crores by the Central Government and Rs. 67 crores by the States—as compared to Rs. 175 crores in 1959-60. Borrowings by municipal corporations, electricity boards and other Governmental or semi-Governmental institutions were also lower than in the previous year. The change in the outlook for gilt-edged reflects the stringency in the money market; it is also in part an indication of the growing demand for long-term investible funds.

26. The upward trend in equity prices noticed throughout 1959 gathered further momentum in the first part of 1960. The index of prices of variable dividend industrial securities (1952-53 = 100) moved up by 13·8 per cent reaching a peak of 182·0 in the week ended July 23, 1960. At this level, the index was over 50 per cent higher than at the commencement of 1958. Undoubtedly, a part of this improvement reflected the growing optimism in the market resulting from continued industrial expansion and the prospects for further development. There has been in recent years a widening of the demand for industrial equities from new classes of investors. It was evident, however, that the boom was in part due to excess liquidity in the economy and was indicative of an unhealthy speculative trend. The credit control measures taken by the Reserve Bank and the regulatory measures adopted by the stock exchanges themselves such as tightening of margins resulted in a break in share values towards the end of July 1960. The index of variable dividend industrial securities declined to 165·4 by the end of 1960. Over the year as a whole the rise in equity prices works out at about 3 per cent as compared to a rise of 17 per cent in the previous year and of 14 per cent in 1958. The average yield on equities which was 5·21 per cent in December 1959 fell to a low of 4·62 per cent in August and is now 5 per cent.

27. On the basis of returns available so far, the capital raised by companies in the private sector, including capital for which consent was not required under the exemption order, was Rs. 55·36 crores in 1958 and Rs. 70·04 crores in 1959. For the first nine months of 1960, for which provisional data are available, the total was Rs. 47·35 crores. This may be compared to the amount of Rs. 43·2 crores (raised during the first nine months of 1959) which was also based on incomplete information available at this time last year. These figures (which are exclusive of bonus issues) are preliminary. The data on consents given for capital issues indicate maintenance of a high level of investment intentions in the private sector in 1960. The following table shows the position:

Sanctions for Capital Issues

(Rs. crores)

	To Government Companies	To non-Government Companies	Total
1957	18·0	135·3	153·3
1958	333·5	89·5	423·0
1959	53·9	149·6	203·5
1960	139·5	150·1	289·6

The licences granted under the Industries (Development and Regulation) Act for new units and for substantial expansions were also on a larger scale than in 1959.

V. Prices

28. The general index of wholesale prices (1952-53=100) which was 117·9 at the end of 1959 rose almost continuously to a level of 127·4 about the middle of October, 1960. There has been a decline, mainly seasonal, since then, the index at the end of December 1960 being 124·2. The index has risen again thereafter; for the week ending January 28, 1961, it was 126·3 as compared to 119·2 a year earlier. The average level of prices for 1960 was about 6·5 per cent. higher than in the previous year. The increase in 1959 was 4·1 per cent. and in 1958, 2·1 per cent. The following table gives the trends in wholesale prices over the last five years:

Index Numbers of Wholesale Prices
(1952-53=100)

		Average of weeks				
		1956	1957	1958	1959	1960
I.	Food Articles	99·0	106·8	112·0	118·2	120·3
	(*a*) Foodgrains	89·7	98·5	102·7	103·5	102·9
	of which :					
	(*i*) Rice	92·8	103·8	107·7	102·0	109·1
	(*ii*) Wheat	85·7	90·3	96·3	102·4	91·2
	(*b*) Other food articles	107·1	114·1	120·1	131·0	135·5
II.	Industrial Raw Materials	113·2	118·1	114·7	119·7	138·8
	of which :					
	(*i*) Raw Cotton	108·7	108·2	100·0	102·6	112·4
	(*ii*) Raw Jute	122·2	135·8	120·6	118·0	178·5
	(*iii*) Oilseeds	114·9	122·4	123·6	130·9	144·9
III.	Manufactures	104·9	108·0	108·2	109·7	120·8
	of which :					
	(*i*) Cotton Manufactures	113·8	116·2	113·0	113·5	127·5
	(*ii*) Jute manufactures	94·6	97·7	87·7	87·2	115·2
IV.	All Commodities	102·6	108·7	111·0	115·5	123·0

29. It will be seen that up to 1958 the trend in prices was mainly governed by the increase in prices of foodgrains which rose by 14·5 per cent. since 1956. The rise in the case of industrial raw materials and manufactures during that period was relatively small. In 1959 food articles other than foodgrains accounted for nearly two-thirds of the rise in wholesale prices. Industrial raw materials and manufactures also showed a rise and accounted for about one-fourth of the increase in the index of wholesale prices. A feature of the price situation in 1960 was the sharp rise in the prices of industrial raw materials (16 per cent.) and manufactures (10 per cent.). The rise in industrial raw material prices was mainly in respect of raw cotton, raw jute and oilseeds, the production of which had declined considerably in 1959-60. The higher prices of raw materials in turn affected the prices of edible oils and of cotton and jute manufactures. If oilseeds, edible oils as well as raw cotton, raw jute, cotton and jute manufactures are excluded, the index of prices of other commodities would show a rise of 2·2 per cent. in 1960 as compared to a rise of 4·9 per cent. in 1959 and 5·0 per cent. in 1958.

30. There was a small decline in the prices of foodgrains in 1960. In 1959 the relative stability of cereal prices was the result of a fall in rice prices and a rise in wheat prices. In 1960 the position was reversed. The average level of rice prices was 7 per cent. higher than in 1959, while wheat prices were some 11 per cent. lower than in the previous year. The large imports during the year coupled with an assurance of more to follow were

the major stabilising factor in the case of wheat. Rice prices ruled higher from January to July 1960 because of the shortfall of about a million tons in the rice crop in 1959-60. Since August, there has been a significant decline in rice prices, the index coming down from 115·3 in August 1960 to 101·7 in December, 1960. The decline reflects mainly the expectations of a better crop in the current year.

31. Since the commencement of the Second Plan, wholesale prices have risen by about 25 per cent. The all-India working class consumer price index (1949=100) has also shown a rise of the same order. The level of wholesale prices (for the week ended January 28, 1961) is about 6 per cent. higher than a year ago. The working class cost of living index was around 126 in October and November 1959; it declined to 122 in December of that year and remained more or less unchanged until April 1960. It rose to 126 in August and has fallen a little thereafter reaching 124 in December 1960. The average level of the consumer price index for 1960 comes to 124 as compared to 121 for 1959 and 116 in 1958.

VI. Balance of Payments

32. The following table gives the balance of payments data for the first four years of the Second Plan and for the first half of 1960-61:

India's Balance of Payments

1956-57 *to* 1959-60 *and for April-September,* 1960

(Rupees crores)

		1956-57	1957-58	1958-59	1959-60*			1960-61*
					April-September	October-March	Total	April-September
1	Imports c.i.f.	1099·5	1233·6	1029·6	473·1	450·6	923·7	538·7
	(*a*) Private	811·9	696·2	504·8	257·8	249·5	507·3	287·5
	(*b*) Government	287·6	537·4	524·8	215·3	201·1	416·4	251·2
2	Exports f.o.b.	635·2	594·1**	575·9	285·8	337·5	623·3	299·3
3	Trade Balance	—464·3	—639·5	—453·7	—187·3	—113·1	—300·4	—239·4
4	Non monetary gold movement	..	..	..	..	5·9	5·9	..
5	Official Donations	39·5	34·1	34·4	21·0	14·6	35·6	26·8
6	Other Invisibles (net)	112·5	104·0	91·7	37·9	40·2	78·1	34·8
7	Current Account (net)	—312·3	—501·4	—327·6	—128·4	—52·4	—180·8	—177·8
8	Errors and Omissions	1·6	—9·8	—21·7	—10·7	—10·5	—21·2	—14·4
9	Official loans	30·7	115·1	218·6	84·0	101·5	185·5	118·3
10	Drawings on IMF (net)	54·7	34·5	..	..	—24·0	—24·0	—10·5
11	Other capital transactions (net)	4·0	101·7	88·4	28·0	—3·6	24·4	29·4
12	Draft on foreign exchange reserves†	221·3	259·9	42·3	27·1	—11·0‡	16·1	55·0

*Preliminary

**Excludes silver despatched to USA

†Variations in reserves include not only movements in the foreign assets of RBI but also in Government balances held abroad.

‡The minus indicates an addition to reserves.

The relative improvement in the balance of payments seen in 1958-59 was continued in 1959-60, when there was only a small decline of Rs. 16·1 crores in the foreign exchange reserves. In fact but for the purchase of gold of Rs. 18 crores for the payment of additional subscription to the I.M.F., and the repurchase of a part of the rupees held by that institution (Rs. 24 crores), there would have been an increase in foreign exchange reserves. The improvement in 1959-60 was mainly the result of reduced imports (Rs. 106 crores) accompanied by a sizeable increase in exports (Rs. 47 crores). While official donations remained more or less the same, other net invisibles declined by Rs. 14 crores, partly because of larger payments on investment account. Official loans were lower by Rs. 33 crores and net receipts from other capital transactions by Rs. 64 crores.

33. During the first half of 1960-61 the trade deficit at Rs. 239·4 crores was about Rs. 52 crores larger than in the corresponding period of 1959-60. Imports in the first half of 1960-61 amounted to Rs. 538·7 crores as compared to Rs. 473·1 crores over the first half of 1959-60. There was, however, a small increase in exports of Rs. 13·5 crores. Official donations were larger by Rs. 5·8 crores and there was a significant increase of Rs. 34·3 crores in receipts from official loans, largely on account of rupee loans made from P.L. 480 funds, which were correspondingly offset under "other capital transactions". The fall in foreign exchange reserves during the period was larger than in the corresponding period of 1959-60.

34. Private imports in 1959-60 were at about the same level as in the previous year. This was because of continued restrictions on imports, larger domestic production of some of the imported items and the completion of some of the expansion programmes in the private sector. Government imports showed a sharp decline of Rs. 108 crores because of a fall in imports of equipment as well as capital goods of various types. This fall reflects the fact that the bulk of the imported equipment for the public sector steel plants had by this time been obtained.

35. For the first half of 1960-61 both Government and private imports show an increase. Private imports showed an increase of Rs. 29·7 crores to which higher imports of raw cotton and metals contributed significantly. The following table gives the details of Government imports since 1955-56.

Imports on Government Account

(Rs. crores)

	1955-56	1956-57	1957-58	1958-59	1959-60			1960-61
					1st half	2nd half	Total	1st half
1 Foodgrains . .	28·9	107·6	165·3	151·7	82·7	72·5	155·2	114·1
2 Capital equipment for Government projects	30·3	52·5	104·7	142·6	55·7	42·5	98·2	46·8
3 Iron and Steel .	12·1	15·1	49·7	43·2	8·0	7·7	15·7	10·7
4 Railway stores .	22·7	33·3	50·3	51·5	7·4	9·6	17·0	14·0
5 Communication stores	13·4	25·8	30·3	11·8	7·1	10·5	17·6	9·1
6 Others . . .	31·5	53·3	137·2	124·0	54·4	58·3	112·7	56·6
TOTAL	138·9	287·6	537·4	524·8	215·3	201·1	416·4	251·3

The increase in Government imports in the first half of the current year, it will be seen, is mainly in respect of foodgrains (Rs. 31 crores). Import of capital equipment for Government projects amounted to Rs. 47 crores as compared to Rs. 56 crores in the first half of 1959-60 and Rs. 77 crores in the first half of 1958-59.

36. The following table gives a category-wise break-up of total imports from 1958-59 to 1960-61 (first half):

Category-wise Break-up of Imports (Private and Government)

(Rs. crores)

	1958-59	1959-60*			1960-61*		Total 1st half
		1st half	2nd half	Total	1st Qr.	2nd Qr.	
A. *Non-developmental*	*386·3*	*180·5*	*168·4*	*348·9*	*119·1*	*83·1*	*202·2*
Food . .	151·7	82·7	72·5	155·2	75·2	38·9	114·1
Other consumer goods .	63·9	28·8	36·7	65·5	17·5	16·4	33·9
Others . .	170·7	69·0	59·2	128·2	26·4	27·8	54·2
B. *Raw Materials* . of which	*121·5*	*89·1*	*79·2*	*168·3*	*51·3*	*54·9*	*106·2*
Mineral oils .	57·2	48·4	34·1	82·5	21·0	13·7	34·7
Raw cotton .	25·1	19·5	17·9	37·4	14·5	24·4	38·9
C. *Intermediate Goods* of which :	*168·3*	*64·4*	*65·3*	*129·7*	*43·4*	*42·0*	*85·4*
Iron & Steel .	84·8	23·6	23·5	47·1	18·9	19·2	38·1
Private . .	41·6	15·6	15·8	31·4	13·8	13·6	27·4
Government	43·2	8·0	7·7	15·7	5·1	5·6	10·7
D. *Capital Goods* .	*353·5*	*139·1*	*137·7*	*276·8*	*74·4*	*70·5*	*144·9*
Private . .	141·7	65·4	69·1	134·5	38·2	36·1	74·3
Government .	211·8	73·7	68·6	142·3	36·2	34·4	70·6
TOTAL	1029·6	473·1	450·6	923·7	288·2	250·5	538·7

*Preliminary

It will be seen that in the non-developmental group, the reduction in imports in 1959-60 was mainly under the category 'others'. The major part

of the decrease of Rs. 42 crores reflected reduced repatriation of Indian currency notes, chiefly from the Persian Gulf area.

37. The other groups showing a decline were intermediate goods (Rs. 39 crores) and capital goods (Rs. 77 crores). A sharp reduction in the import of iron and steel was the main reason for the smaller imports of intermediate goods. The larger domestic output of steel and the completion of the investment programme of the iron and steel industry in the private and public sectors made possible a further reduction in the imports of iron and steel; there was also some reduction in stocks. The only group showing an increase in 1959-60 was raw materials, particularly mineral oils and raw cotton. Mineral oil imports were larger by Rs. 25·3 crores and those of raw cotton by Rs. 12·3 crores. Despite these increases, the level of raw material imports in 1959-60 was lower than in 1955-56 and 1956-57.

38. The increase in imports in the first half of 1960-61 was mainly on account of larger imports of foodgrains, cotton and iron and steel. Food imports rose from Rs. 82·7 crores in April—September, 1959 to Rs. 114·1 crores in the same period in 1960. Imports of raw cotton were larger by Rs. 19·4 crores and those of raw jute by Rs. 2·2 crores. On the other hand, mineral oil imports in the first half of 1960-61 showed a decrease of Rs. 13·7 crores. Imports of iron and steel, and non-ferrous metals recorded an increase from Rs. 34·7 crores in April—September, 1959 to Rs. 55·8 crores in the same period in 1960. Part of the increase in these imports was on account of the growing requirements of engineering industries; part reflected replenishment of stocks. There was also an increase in the import of capital goods on private account from Rs. 65·4 crores to Rs. 74·3 crores which was offset by a small reduction of Rs. 3·1 crores in Government imports.

39. Exports during 1959-60 were higher by Rs. 47·4 crores as compared to the previous year, although there was a decline of Rs. 8·1 crores in the exports of tea. Exports of hides and skins—raw and tanned—which were around Rs. 30 crores each year since 1956-57 rose to Rs. 45·3 crores in 1959-60. Exports of cotton manufactures which had declined more or less steadily from Rs. 86·4 crores in 1955-56 to Rs. 62·5 crores in 1958-59 also regained much of the lost ground and totalled Rs. 80·3 crores. Similarly, vegetable oils which had declined from Rs. 40·1 crores in 1955-56 to Rs. 9·6 crores in 1958-59 recovered to Rs. 18 crores. On the other hand, exports of raw cotton and manganese ore were smaller because of lower output in the case of cotton and increased competition in the world markets in the case of manganese ore.

40. During the first half of 1960-61 exports showed an increase of Rs. 13·5 crores over the corresponding period in 1959-60. Jute manufactures accounted for most of the increase in export earnings, mainly as a result of higher prices. Exports in the second half of the year are likely to be higher as usual because of the seasonal factor but indications are that total exports in 1960-61 will not show a very marked rise over the level in 1959-60.

41. Over the first 4½ years of the Second Plan, the total imports amounted to Rs. 4,825 crores of which Rs. 2,808 crores were on private account. Exports during the period amounted to Rs. 2,728 crores and the trade balance was negative to the extent of Rs. 2,097 crores. As against this, there were receipts totalling Rs. 421 crores on account of invisibles other than 'official donations'. The gap of Rs. 1,676 crores thus left was financed by Rs. 170 crores of 'official donations', Rs. 668 crores of loans from abroad,

Rs. 55 crores of net drawings on the I.M.F., and a decline in foreign exchange reserves of Rs. 595 crores. There were also net receipts of Rs. 248 crores under the category, 'other capital transactions', which included, *inter alia*, assistance received under P.L. 480.

VII. Economic Policy And Measures

42. The accent of India's development plans is necessarily on rapid and all-round development. But even so, the process cannot but cover several five year periods, each one requiring a larger effort than the earlier one. Economic policy in this context has inevitably a certain long-term orientation that does not change. It has to focus on securing the step-up in investment which is crucial to the development process. This raises two major problems: *viz.*. effective mobilisation of domestic savings; and conservation and expansion of foreign exchange resources. The fiscal, monetary and commercial policies of Government have in recent years been shaped in the light of these prime considerations, the adjustments in these policies being made at appropriate points in the light of changes in the economic situation.

43. Budgetary policy since 1956-57 has been directed towards a progressive enlargement of public revenues by suitable widening and strengthening of the tax structure. The Central budget for 1960-61 proposed additional taxation of Rs. 24 crores. The coverage of Central excise duties was extended to certain durable goods and to semi-processed materials, and some existing duties were raised further. In the field of direct taxation, wealth tax on companies and super tax on excess dividends were abolished, but their incidence was merged with the corporation tax payable by companies. The business profits of cooperative societies other than banking, credit, agricultural marketing and milk supply societies were made liable to tax if they exceeded Rs. 15,000. The process of simplification of corporate taxation initiated in 1959-60 was completed and the new system of non-refundable tax on company profits and dividends was made fully operative from 1960-61. The tax holiday for new undertakings was extended to cover those going into operation during the five year period ending March 1965.

44. Over the Second Plan period, the additional taxation raised by the Centre works out to Rs. 797 crores. With the addition of Rs. 244 crores of fresh taxation by the States, the total additional tax effort during the Second Plan period comes to Rs. 1,041 crores. The revenues of the Central and State Governments have increased from Rs. 768 crores in 1955-56 to about Rs. 1,300 crores in 1960-61, *i.e.*, an average annual increase of some 14 per cent. Part of this reflects the growth of production and part is a reflection of the rise in prices that has occurred. The total of tax receipts to national income at current prices—which is an indicator of the relative advance secured—has risen only moderately from about 8 per cent in 1955-56 to about 9 per cent in 1960-61. This illustrates how difficult it is, in a country with a preponderance of low incomes, to draw a growing proportion of national income into the public exchequer.

45. There has been over the last few years a large expansion in public expenditure. In 1951-52 the total expenditure of the Central and State Governments amounted to Rs. 998 crores; it rose to Rs. 1,470 crores by 1955-56 and the budget estimates for 1960-61 place this total at Rs. 2,587 crores. The larger part of this increase is accounted for by the rise in developmental expenditures; the proportion of such expenditure to the

total has gone up markedly from 48 per cent in 1951-52 to 60 per cent in 1955-56 and further to 66 per cent in 1960-61. The following table sums up the position:

Developmental and Non-Developmental Expenditure of the Central and State Governments

(Amount in Rs. crores)

	1951-52	1955-56	1960-61 (BE)
Total Expenditure	998	1,470	2,587
Development expenditure*	480	884	1,703
Non-development expenditure†	518	586	884
Development expenditure as per cent of total expenditure	48·1	60·1	65·8
Non-development expenditure as per cent of total expenditure	51·9	39·9	34·2

*Includes Revenue and Capital expenditure on development heads, loans and advances (net) and Railways' and Posts and Telegraphs' expenditure on expansion, renewals and replacements. Excludes working expenses of industrial and commercial undertakings.

†Excludes appropriation for reduction and avoidance of debt, transfers to Special Development Fund and capital outlay on State Trading.

46. The accentuation of pressure within the economy, as evidenced by the various economic trends reviewed in the earlier sections, especially the large expansion in bank credit and the emergence of a speculative boom on the stock exchanges, led to a tightening of monetary policy by the Reserve Bank. The objective of policy in this regard has throughout been one of 'controlled expansion' and the Reserve Bank has relied for the most part on selective credit controls designed to correct excessive lending in particular directions. These techniques had to be supplemented during the year by general measures of restraint aimed at a reduction in the excess liquidity of the banking system.

47. In March, the quantum of balances to be maintained by scheduled banks with the Reserve Bank was raised; a further increase in this quantum was made in May with a view to impounding a substantial proportion of the additional deposits accruing to the banking system. These measures had a marked impact on the liquidity of banks but not on the volume of credit creation by them, as the banks could still replenish their resources by selling Government securities to the Reserve Bank and by borrowing from it at the prevailing low rate of interest. In September, the Bank, therefore, raised the cost of credit by instituting a system of penal rates on scheduled banks' borrowings from it above certain defined limits. It also directed the scheduled banks to raise their average lending rates by ½ per cent, subject to a minimum of 5 per cent. In the wake of these developments, there has been an upward adjustment in interest rates.

48. The instruments of monetary policy are necessarily delicate and they have to be used flexibly and judiciously. With the onset of the busy season, the Reserve Bank has relaxed some of the earlier restrictions. These seasonal adjustments apart, it has to be recognised that an expanding economy needs, over a period, expanding credit for programmes in the

public as well as in the private sector. It is necessary to view these needs together and assess what level of expansion in money and credit will be compatible with orderly advance. Fiscal as well as monetary policies have their respective roles in securing or facilitating the result; and, they have both to be adapted continually to this end.

49. In the difficult foreign exchange situation that the country has to confront, import policy has continued to be stringent over the last three years and it will, undoubtedly have to remain so for the foreseeable future. The total value of import licenses (excluding those for raw jute) issued in the period October 1959 to March 1960 was Rs. 484 crores as compared to Rs. 381 crores for the period April-September 1959. For the half year April-September 1960, the total value of import licenses issued was Rs. 477 crores, which was slightly lower than the licensing in the second half of 1959-60 but was considerably higher than that in the corresponding period of 1959-60. The governing factors in determining the level of licensing have been the availability of credit—foreign exchange reserves having declined,—the requirements of capital goods for new development as well as the need to ensure adequate supplies of raw materials and components for the industrial units already set up and the new capacity coming into production.

50. From the point of view of immediate requirements as well as the long-term needs of the economy, an increase in export earnings is a major desideratum. Various export promotion measures have been taken in recent years and these were strengthened in several directions in the year under review. There are now twelve Export Promotion Councils reviewing this problem in their respective fields from time to time and suggesting ways and means of securing an increase in exports. Special export promotion schemes are in operation in respect of several important commodities and in certain cases larger import licenses for raw materials or components are issued as part of export promotion. Trade agreements have been signed with a number of countries to increase the volume of trade with due regard to the accepted principles of multilateralism and non-discrimination. Primary reliance has, therefore, to be placed on creating a surplus from domestic production by restraining consumption. The export angle has constantly to be kept in mind while determining the level of excise duties.

51. There are, in the short-run, rather rigid limits to the expansion that can be achieved in respect of traditional exports like tea, jute goods and cotton textiles, but it has to be borne in mind that a small percentage increase in these exports can yield a large total of foreign exchange. The need more and more is to diversify exports by placing greater emphasis on new lines like iron ore and the products of newly developing industries. Some promising beginnings in this direction have been made. The Indian economy has not hitherto been sufficiently export-oriented. It was inevitable in the early stages of development to concentrate on import-saving investment. But import-saving can only be relative; in absolute terms, the trend of imports cannot but be upward as the industrial structure gets diversified.

52. It is essential, therefore, to view export promotion as a vital element in making the economy viable. This requires a close watch on costs, for while the domestic market may absorb whatever is produced even at relatively high prices, the export markets are highly competitive. It will be necessary in the coming years to intensify greatly the effort to increase

exports. The necessary business links and organizations to secure a footing in foreign markets have to be built up and developed assiduously. In the final analysis, the key to increased exports is more production and the acceptance of sacrifices in domestic consumption in the interests of a highly important resource, *viz.*, foreign exchange—which is a developmental resource *par excellence.*

53. The rise in wholesale prices for the major part of the year has been a matter of concern. In so far as this rise was due to supply factors such as the shortfall in the production of foodgrains and agricultural raw materials, the only corrective available in the short period is to secure increased imports. Imports of foodgrains in 1960 totalled 5 million tons. Raw cotton imports over the first ten months of 1960 were 10·5 lakh bales. A large proportion of these imports was obtained on terms not involving foreign exchange expenditure. Clearly, within a given period, if the deficiency in domestic production cannot be met from imports, the economy has to go short. Over a period, the answer to the problem is increased production through irrigation, better supply of seed and fertiliser and improvements in farming techniques. The pull of demand in a developing economy is necessarily upwards; such a pull is up to a point the very condition of economic advance. It is, nevertheless, necessary to keep it within limits and reference has been made in the paragraphs above to the role of fiscal and monetary policies in this context. The wide disparities between the prices of foodgrains as between different parts of the country drew considerable attention during the year and steps have been taken from time to time to encourage freer movement of foodgrains from surplus to deficit areas through wider zoning arrangements.

VIII. The Outlook For 1961-62

54. For the coming year, the prospects for agricultural production are distinctly better. The rice crop for 1960-61 is expected to be 31 million tons—an improvement of about 2 million tons over the last year's output. The estimated output of cotton for 1960-61 is over 5 million bales as compared with the low level of 3·8 million bales last year. A sizeable increase in sugarcane output is also forecast. The outlook in respect of jute and oilseeds is, however, not equally encouraging. The agricultural season so far has been good and the expectations are that the level of foodgrains production in the current year will be around 76 million tons. Government have in hand about 2·8 million tons of foodgrains—including about 1 million tons of rice—and further imports on a substantial scale are expected. This relative ease in the food situation should help in keeping the prices in this vital sector reasonably stable.

55. With continued increase in the industrial production as the projects under construction, both public and private, come into production, the situation in respect of supplies in the coming year should show an improvement. On present indications, one can expect increases in the output of important materials such as iron and steel, cement and coal, textiles, paper and sugar, electricity and chemicals. With larger supplies of iron and steel, there would be a further increase in the production of engineering goods including industrial machinery though, of course, much would depend on the supplies of imported raw materials and components. Altogether, it is hoped that a high rate of growth of industrial output, comparable to the current year's, will be maintained in the coming year.

56. On the other hand, the pressure of demands, both for consumption and for investment will be larger. With the current trends in population growth, a two per cent increase in output is required to keep per capita

consumption constant. Some increase in per capita consumption as a result of the increases in incomes consequent on the growth of investment is also inevitable. The level of public investment envisaged for the coming year is 6 to 7 per cent higher than in the current year and some rise in private investment also seems likely. Besides, as stressed earlier, every effort needs to be made for increased exports, which would mean an additional claim on national output.

57. It is evident on a consideration of these factors, against the background especially of the stresses and strains brought out in the preceding sections of the review, that the objective of fiscal and monetary policies in the coming year must be to secure a better balance between the competing claims of consumption and of investment on the resources available. The step-up in fixed investment envisaged for the coming year is moderate, but it is essential that the creation of fresh purchasing power either through fiscal operations or through the banking system is kept down to the minimum, and undue increases in consumption or any speculative additions to stocks are held firmly in check.

58. Reference has been made earlier to the need for increased exports. This need, to put it briefly, is paramount; promotion of exports has to be viewed as a central plank in public policy. This requires basically an increase in production, an appropriate emphasis in investment allocations and a strengthening of the institutional machinery for export promotion. It also involves restraint in consumption, which, in turn, may have to be brought about through suitable price increases for the domestic consumer. Fiscal policy, aimed at securing this restraint generally and at curbing domestic consumption particularly at those points where it impinges directly on exports has an important role to play in this context.

59. The continuing difficulties of the foreign exchange situation in the coming year—and for several years to come—will require constant vigilance in regard to imports. The strict foreign exchange budgeting which has been in force for several years past will have to continue; this is an essential aspect of planned development in the country which is short of foreign exchange. The rigour of import control over the last few years has been such that no substantial savings can be effected through a further tightening in this direction. The accent of policy will, nevertheless, have to be on maximum economy in this respect and the exploration of all possibilities of substituting domestic products for imports. Over a period, as has already been stressed, the need is to increase export earnings to a more adequate level.

IX. The Plan

60. The estimated outlay on the Plan in 1960-61 is around Rs. 1,100 crores. Over the five years 1956-61, the total outlay will be about Rs. 4,600 crores. Of this total, investment is estimated at about Rs. 3,650 crores. Private investment over the five years is estimated at Rs. 3,100 crores. Thus, aggregate investment in the economy over the Second Plan period works out at about Rs. 6,750 crores. The ratio of investment to national income has gone up from about 8 per cent at the end of the First Plan to around 11 per cent for the closing years of the Second Plan.

61. The Central and State Governments have put through a substantial tax effort in the course of the Second Plan—the total of additional taxation being, as mentioned earlier, over Rs. 1,000 crores. In terms of the preliminary estimates presented in the Draft Outline of the Third Plan, the

public sector outlay of Rs. 4,600 crores over the Second Plan period will have been financed broadly as follows:

Financial Resources For the Second Plan

(Public Sector)

	Rs. crores.
(*i*) Taxation and surpluses of public enterprises	1,050
(*ii*) Mobilisation of private savings through loans, small savings, provident funds, etc.	1,393
(*iii*) External assistance	982
(*iv*) Deficit financing	1,175
	4,600

The data since available indicate that the extent of deficit financing has been lower than the above estimate suggests. The tax receipts of the Central and State Governments have shown considerable improvement and the contribution from current revenues has, therefore, been larger. Market borrowings over the five-year period amounted to Rs. 762 crores. Small savings have recorded a marked improvement during the current year; the total for the Second Plan period is now placed at over Rs. 390 crores. Budgetary receipts corresponding to external assistance are expected to be lower than Rs. 982 crores. These estimates of the contribution of the various sources to the financing of the public sector plan have, it may be added, to be judged in relation to the overall monetary and balance of payments trends.

62. Money supply has shown an increase of 35 per cent. over the Second Plan period, and prices have shown a more or less continuous rise throughout this period. The increase in national income in real terms works out at 12·2 per cent. over the first four years of the Plan. Assuming that in the current year the rise will be of the order of 6 per cent. over the last year's level, the increase over the five-year period will be some 19 per cent. The step-up in savings has been below expectations; the data available do not yet show any marked upward trend.

63. Mention has been made earlier of the balance of payments deficit over the first four and a half years of the Second Plan. Altogether, for the Second Plan period as a whole the deficit is likely to be about Rs. 2,100 crores. About a third of this would have been financed by drawals on foreign exchange reserves, and by net purchases of foreign exchange from the International Monetary Fund; about two-thirds by external assistance. The authorisations of external assistance for developmental imports up to the end of December, 1960, total Rs. 1,066 crores. The carry-over from the First Plan was Rs. 198 crores. Of the total of Rs. 1,264 crores thus available, assistance amounting to Rs. 780 crores was utilised by the end of September, 1960. On present indications, the carryover of external assistance to the Third Plan period will be well over Rs. 300 crores. Total P.L. 480 assistance authorised under the first four Agreements during the Second Plan was Rs. 461 crores. Under the May 1960 Agreement, imports of surplus agricultural commodities amounting to Rs. 636 crores over a period of four years as from July 1960 have been authorised. The assistance for Third Plan projects which has been authorised or is under negotiations comes to Rs. 422 crores.

64. Despite shortfalls in certain directions, the programmes of development carried through in the Second Plan have added substantially to the production potential of the economy. Some of these investments will

come into full production in the early years of the Third Plan; but it is evident that over the last few years, the economy has gained greatly both in terms of performance and of the potential for further growth.

65. The Third Plan is now in the process of finalisation. The National Development Council at its meeting in January 1961 considered the problem of Plan outlay and resources. The view that emerged was that programmes estimated to cost about Rs. 8,000 crores be approved for inclusion in the Third Plan and that the financial outlays to be incurred should not exceed Rs. 7,500 crores which is the limit of resources indicated by the estimates that can be made at this stage. The investment component of this outlay of Rs. 7,500 crores is about Rs. 6,300 crores. The estimated total of private investment over the Third Plan period is Rs. 4,100 crores. Aggregate investment in the economy will on this basis amount to Rs. 10,400 crores which is a step-up of over 50 per cent as compared to the total investment in the Second Plan.

66. The Third Plan calls for a substantial acceleration of the effort to mobilise domestic resources. To this end, all the techniques for augmenting the resources available to the public sector will have to be deployed. The claims of the investment programmes in the private sector will also have to be met. Only through an adequate savings effort can the Plan as a whole be carried through. External assistance for implementing the projects in the Plan (in terms of disbursements—the authorisations will have to be larger) has been estimated at Rs. 1,900 crores. Further assistance of the order of Rs. 700 crores will be required, partly in the form of components, intermediate products, etc., and partly by way of refinancing of the external obligations maturing during the Plan period. Reliance on the inflow of resources on a large scale is inevitable in the early stages of development, but the shorter the period of this reliance the better from the point of view of the rate of growth of the economy as well as of other practical considerations. The Third Plan is intended as a substantial step towards the achievement of a balance in external account within a reasonable period of time. External assistance has, in this context, an important role, but the determining factor in success is the scale and intensity of domestic effort towards increased production and savings.

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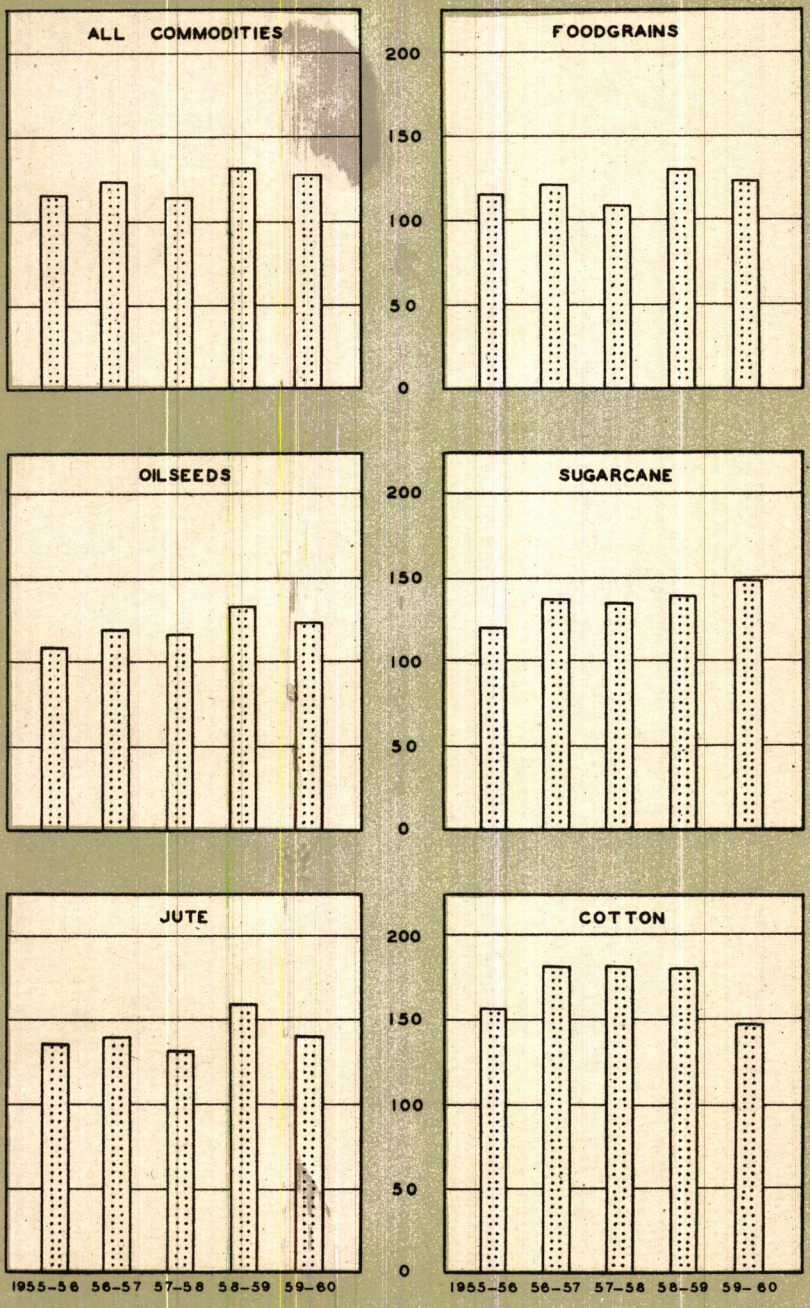
INDEX NUMBERS OF AGRICULTURAL PRODUCTION

1949–50 = 100



MINISTRY OF FINANCE, ECONOMIC DIVISION.

INDEX NUMBERS OF INDUSTRIAL PRODUCTION

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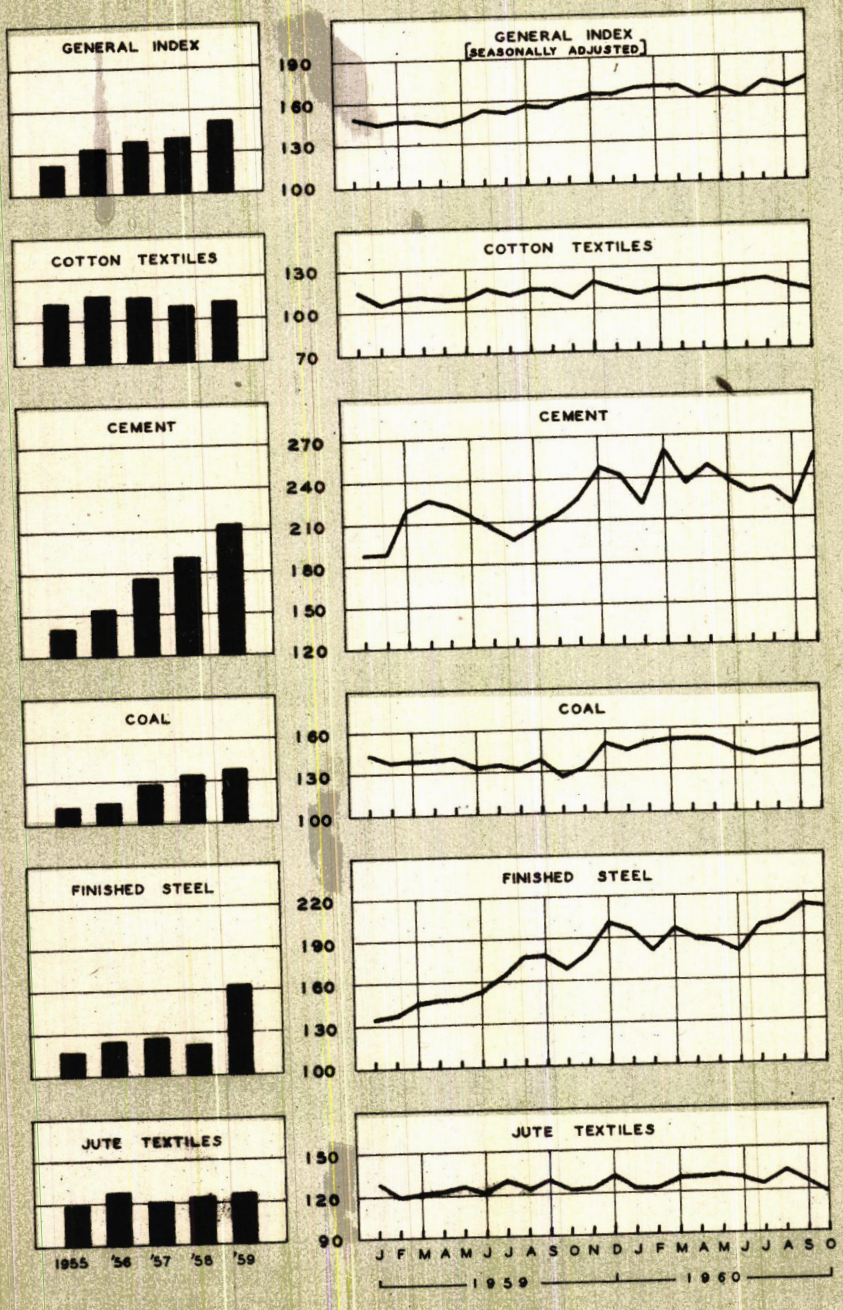
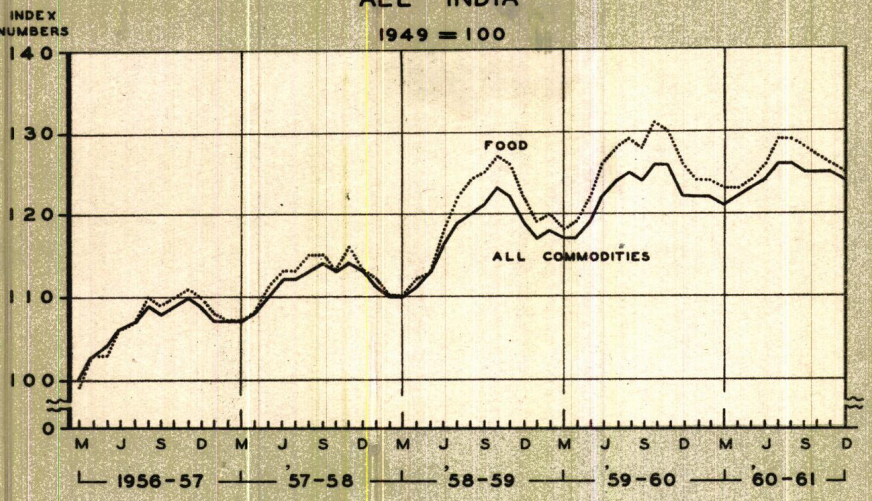


MINISTRY OF FINANCE, ECONOMIC DIVISION.

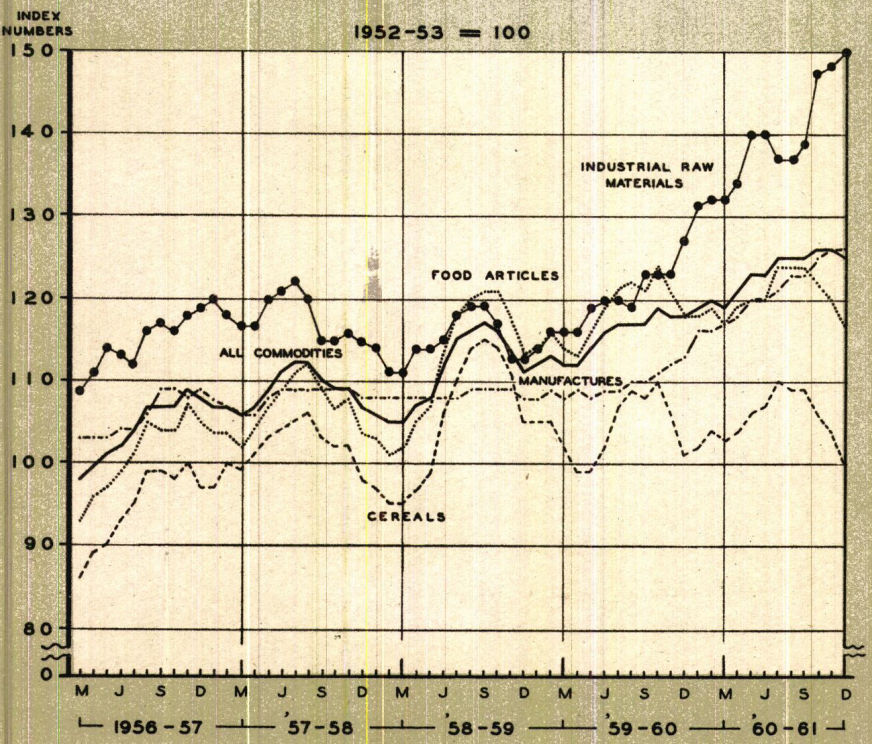
PRICES

WORKING CLASS CONSUMER PRICES

ALL INDIA



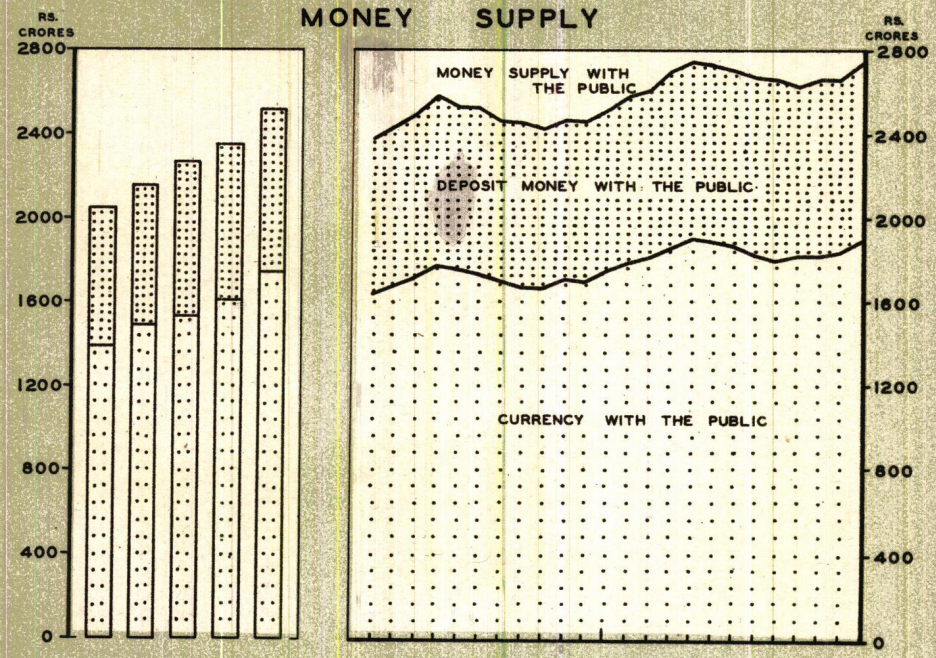
WHOLESALE PRICES



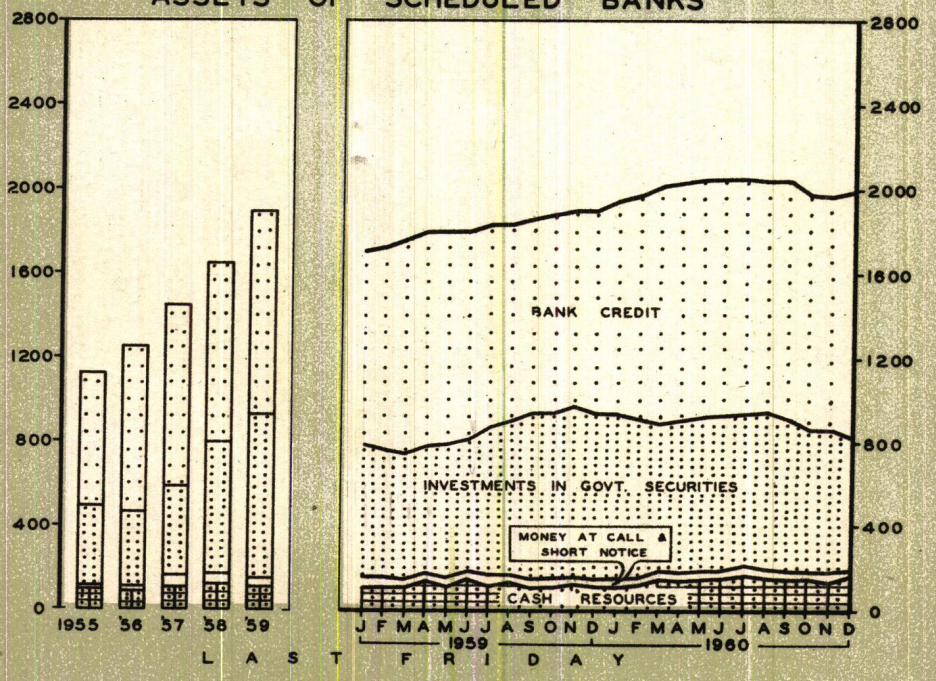
MINISTRY OF FINANCE, ECONOMIC DIVISION.

MONETARY INDICATORS

MONEY SUPPLY

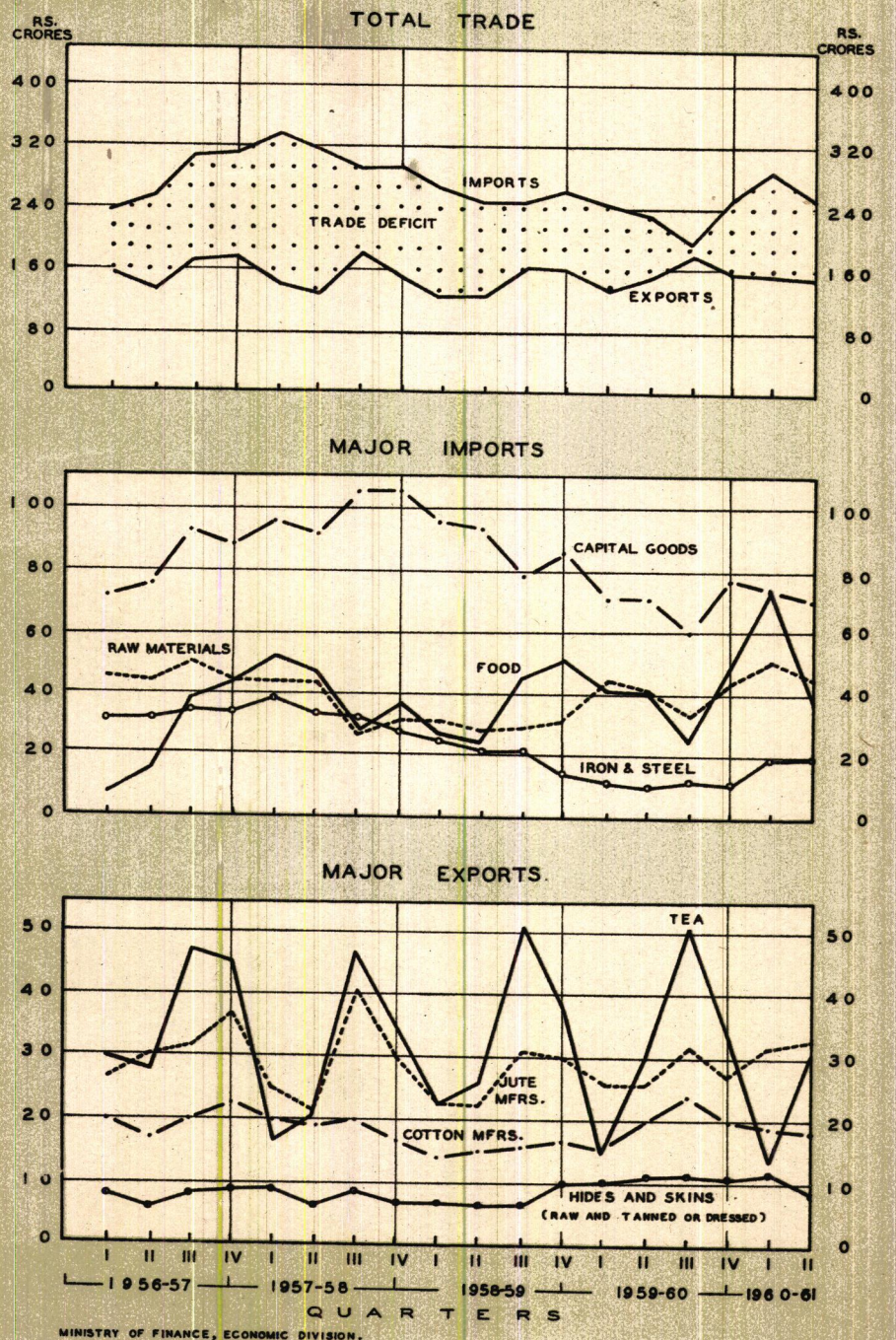


ASSETS OF SCHEDULED BANKS



MINISTRY OF FINANCE, ECONOMIC DIVISION.

FOREIGN TRADE



MINISTRY OF FINANCE, ECONOMIC DIVISION.

1·1 : NATIONAL INCOME

Year	National Income (Rs. crores)		Per Capita Income (Rs.)		Index Number of National Income (1948-49=100)		Index Number of Per Capita Income (1948-49=100)	
	At Current Prices	At 1948-49 Prices	At Current Prices	At 1948-49 Prices	At Current Prices	At 1948-49 Prices	At Current Prices	At 1948-49 Prices
1948-49	8,650	8,650	246·9	246·9	100·0	100·0	100·0	100·0
1949-50	9,010	8,820	253·9	248·6	104·2	102·0	102·8	100·7
1950-51	9,530	8,850	265·2	246·3	110·2	102·3	107·4	99·8
1951-52	9,970	9,100	274·0	250·1	115·3	105.2	111·0	101·3
1952-53	9,820	9,460	266·4	256·6	113·5	109·4	107·9	103·9
1953-54	10,480	10,030	280·7	268·7	121·2	116·0	113·7	108·8
1954-55	9,610	10,280	254·2	271·9	111·1	118·8	103·0	110·1
1955-56	9,980	10,480	260·6	273·6	115·4	121·2	105·5	110·8
1956-57	11,310	11,000	291·5	283·5	130·8	127·2	118·1	114·8
1957-58	11,400	10,890	290·1	277·1	131·8	125·9	117·5	112·2
1958-59*	12,470	11,690	313·2	293·6	144·2	135·1	126·9	118·9
1959-60**	N.A.	11,750	N.A.	291·3	N.A.	135·8	N.A.	118·0

*Preliminary Estimates
**Quick Estimates
N. A=Not Available

1·2: INDEX NUMBERS OF AGRICULTURAL PRODUCTION

(Crop year ending June 1950=100)

Commodities/Groups	Weights	1955-56	1956-57	1957-58*	1958-59*	1959-60*
A. *Foodgrains* (1)	*66·9*	*115·3*	*120·8*	*107·9*	*130·1*	*124·3*
(a) Cereals (2)	58·3	114·9	120·5	108·5	129·3	125·3
of which:						
(i) Rice	35·3	114·2	120·4	104·8	127·6	123·3
(ii) Wheat	8·5	131·3	140·7	116·5	147·1	146·5
(iii) Other cereals	14·5	107·0	108·9	112·8	123·0	117·7
(b) Pulses (3)	8·6	118·4	122·9	104·2	135·2	117·2
of which :						
Gram	3·7	138·9	159·8	129·7	179·1	140·3
B. *Non-Foodgrains*	*33·1*	*119·9*	*130·6*	*128·1*	*136·7*	*133·1*
(a) Oilseeds (4)	9·9	108·6	120·3	115·6	133·4	122·5
of which:						
(i) Groundnut	5·7	112·4	127·2	131·5	142·7	130·2
(ii) Rapeseed and Mustard	2·0	105·8	128·3	115·4	128·2	129·7
(iii) Sesamum	1·2	104·8	98·2	85·9	124·2	95·3
(b) Fibres (5)	4·5	149·7	170·7	165·5	175·0	145·2
of which :						
(i) Cotton	2·8	153·9	181·2	179·7	178·0	145·7
(ii) Jute	1·4	135·8	138·7	131·0	158·6	139·8
(c) Plantation Crops (6)	3·6	113·2	115·0	123·0	130·0	131·1
of which:						
(i) Tea	3·3	107·2	108·7	116·9	122·9	124·0
(ii) Coffee	0·2	196·1	204·1	229·8	241·2	245·7
(d) Miscellaneous (7)	15·1	120·1	129·1	126·1	129·0	136·9
of which :						
(i) Sugarcane	8·7	119·8	137·2	134·7	139·4	148·5
(ii) Tobacco	1·9	112·9	113·7	89·7	99·7	102·4
C. *All Commodities*	*100·0*	*116·8*	*124·0*	*114·6*	*132·3*	*127·2*

*Provisional

(1) Cereals and pulses

(2) Rice, jowar, bajra, maize, ragi, wheat and barley

(3) Gram, tur and other pulses

(4) Groundnut, sesamum, rape and mustard, linseed and castorseed

(5) Cotton, jute and mesta

(6) Tea, coffee and rubber

(7) Sugarcane, tobacco, potato, pepper, chillies and ginger

1·3: AGRICULTURAL PRODUCTION

Commodities/Groups	Units	1949-50	1955-56	1956-57	1957-58*	1958-59*	1959-60**
A. *Foodgrains*	Million tons	54·05	65·79	68·75	62·51	75·50	71·75
(a) Cereals	,,	46·02	54·92	57·25	53·00	62·63	60·51
(i) Rice	,,	23·17	27·12	28·28	24·88	30·35	29·34
(ii) Wheat	,,	6·29	8·62	9·31	7·74	9·77	9·73
(iii) Other cereals	,,	16·56	19·18	19·66	20·38	22·51	21·44
(b) Pulses	,,	8·03	10·87	11·50	9·51	12·87	11·24
B. *Non-Foodgrains*							
(a) Oilseeds	,,	5·14	5·64	6·18	6·05	6·91	6·35
(i) Groundnut	,,	3·38	3·81	4·20	4·44	4·81	4·39
(ii) Other oilseeds	,,	1·76	1·83	1·98	1·61	2·10	1·96
(b) Sugarcane (in terms of gur)	,,	4·94	5·98	6·75	6·87	7·11	7·58
(c) Cotton	Million Bales†	2·63	4·00	4·74	4·74	4·69	3·84
(d) Jute	Million Bales‡	3·09	4·20	4·29	4·05	5·16	4·55

*Partially Revised Estimates

**Final Estimates

†Bale = 392 lb

‡Bale = 400 lb

1·4 : AVAILABILITY OF CEREALS AND PULSES

Year	Popula-tion* (Millions)	Cereals					Pulses	Per capita net availability (in ozs. per day)	
		Production (M. tons)		Net Imports (M. tons)	Decrease(+) in official stocks (M. tons)	Net availability (M. tons)	Net availability (M. tons)	Cereals	Pulses
		Gross	Net						
1951	361·3	41·74	36·52	4·73	—0·58	40·67	7·29	11·0	2·0
1952	367·1	42·89	37·53	3·86	—0·61	40·78	7·29	10·9	2·0
1953	373·0	49·22	43·07	2·00	+0·48	45·55	7·97	12·0	2·1
1954	379·0	58·27	50·99	0·80	—0·20	51·59	9·14	13·4	2·3
1955	385·1	56·18	49·16	0·59	+0·73	50·48	9·36	12·9	2·4
1956	391·4	54·92	48·06	1·37	+0·62	50·05	9·52	12·6	2·3
1957	399·1	57·25	50·09	3·58	—0·90	52·77	10·06	13·0	2·5
1958	407·0	53·00	46·38	3·17	+0·28	49·83	8·31	12·0	2·0
1959	415·0	62·63	54·80	3·81	—0·58	58·03	11·26	13·7	2·7
1960**	423·0	60·51	52·82	5·06	—1·32	56·56	9·84	13·1	2·3

*Population for 1951 is as given in the census; from 1956 onward, the figures have been interpolated from the estimates reported by C.S.O. and published in Monthly Abstract of Statistics, December 1959, for the years 1956, 1959 and 1961

**Provisional

NOTE: Production figures relate to agricultural year ending June

1·5: INDEX NUMBERS OF INDUSTRIAL PRODUCTION
(1951 = 100)

(1)	1955 (2)	1956 (3)	1957 (4)	1958 (5)	1959 (6)	1960 (Jan-Oct)* (7)	1959 (Jan-Oct) (8)	Percentage rise (+) or fall (—) in Col.7 over Col. 8 (9)
General Index	122·4	132·6	137·3	139·7	151·9	167·5†	149·9†	+11·7
Coal	111·4	114·9	126·8	132·2	137·1	147·6	136·2	+8·4
Iron Ore	116·7	116·1	126·3	156·3	212·2	285·6	206·4	+38·4
Sugar	143·0	166·5	185·5	175·6	186·8	197·6	158·1	+25·0
Wheat Flour	100·7	110·7	149·5	168·3	197·7	174·4	196·0	—11·0
Tea	106·2	106·0	106 9	113·8	113·5	114·4	118·1	—3·1
Salt	109·0	119·5	132·7	151·3	114·5	135·6	133·7	+1·4
Vanaspati	151·3	148·3	174·9	171·3	183·8	189·8	185·0	+2·6
Cigarettes	106·4	122·6	134·7	139·1	150·0	171·1	146·6	+16·7
Cotton Textiles	111·9	117·5	115·6	108·9	111·5	114·6	111·1	+3·2
Jute Textiles	118·9	127·3	120·5	123·9	125·4	127·6	124·6	+2·4
Footwear (leather)	97·1	114·3	129 6	132·4	144·2	154·9	138·6	+11·8
Plywood	156·0	175·2	178·8	176·7	215·6	215·2	217·4	—1·0
Paper and Paperboards	140·2	146·6	159·3	191·8	222·9	256·1	214·9	+19·2
Tanned Hides	89·5	93·9	93·8	106·3	120·7	134·1	119·8	+11·9
Rubber Products	140·2	151·6	165·5	181·3	206·7	230·4	202·4	+13·8
Chemicals and Chemical Products	159·0	171·1	181·3	206·2	227·5	251·7	225·1	+11·8
Glass and Glassware	127·8	148·7	162·3	196·3	219·9	222·7	217·5	+2·4
Cement	140·4	154·2	175·3	189·9	213·6	238·8	208·7	+14·4
Ceramics	127·5	156·1	174·0	208·5	256·2	253·1	255·8	—1·1
Asbestos	127·5	146·8	193·9	228·1	219·2	249·3	213·9	+16·5
Iron & Steel	113·3	119·4	119·3	119·1	163·1	202·5	159·0	+27·4
Non-ferrous metal	123·7	124·7	151·7	166·5	205·7	339·3	205·7	+64·9
Gold	93·4	92·4	79·2	75·1	73·0	70·6	72·2	—2·2
Metal Products**	202·4	223·3	225·2	216·4	249·7	278·3	241·7	+15·1
Machinery‡	163·9	215·0	296·2	364·4	427·7	520·6	420·2	+23·9
Electrical Machines, Apparatus, Appliances and Supplies	157·8	210·3	246·7	274·2	296·5	364·0	290·2	+25·4
Transport Equipment	129·3	178·7	186·6	173·7	219·2	277·4	208·4	+33·1
Electricity Generated	144·5	164·1	184·9	209·0	248·5	277·2	246·2	+12·6

†Seasonally adjusted series
*Provisional
**Except machinery and transport equipment
‡Except electrical machines

	Unit	1950	1955	1956	1958	1959	1960@@ Total	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.
CAPITAL GOODS											
1 Diesel Engine :											
(i) Vehicular type	'000 Nos.	..	3·9	3·4	4·3	8·7	10·6	2·5	2·7	2·4	3·0
(ii) Stationary type	'000 Nos.	4·6	10·2	12·0	25·8	30·3	41·2	8·9	10·0	11·2	11·1*
2 Power Transformer	'000 KVA	171·6	565·2	919·2	1126·8	1016·4	1229·2	269·8	279·7	307·4	372·3*
3 Power Driven Pump	'000 Nos.	30·0	34·8	46·8	78·0	85·2	102·2	23·6	22·1	25·6	30·9
4 Electric Motor	'000 HP	81·6	252·0	358·8	624·0	576·0	677·3	144·0	157·4	182·9	193·0*
5 Looms	Nos.	2508†	2736	2868	3192	4224	N.A.	1418	1190	1265	N.A.
6 Complete Ring Spinning Frame	Nos.	276†	864	1116	876	1080	N.A.	228	294	269	N.A.
7 Carding Engine	Nos.	108‡	600	732	1152	768	N.A.	194	262	269	N.A.
8 Machine Tool	Million Rs.	2·7	7·4	12·0	37·6	43·9	58·8	17·7	9·6	14·8	16·7
9 *Automobile (Total)*	'000 Nos.	*14·6*	*23·1*	*32·1*	*26·7*	*36·5*	*51·7*	*12·5*	*12·0*	*13·1*	*14·1*
(i) Car	'000 Nos.	6·6	9·5	13·0	7·8	12·0	19·1	4·9	4·3	4·9	5·0
(ii) Commercial Vehicle	'000 Nos.	8·0	9·5	14·3	15·1	19·8	27·1	6·4	6·6	6·8	7·3
(iii) Others	'000 Nos.		4·1	4·8	3·8	4·7	5·5	1·2	1·1	1·4	1·8

INTERMEDIATE GOODS

10	Coal	Million tons	32·0	38·2	39·4	45·3	47·0	51·6	12·8	12·9	12·5	13·4*
11	Iron Ore	Million tons	3·7†	4·3	4·2	5·7	7·7	10·2	2·6	2·7	2·5	2·4*
12	Pig Iron	Million tons	1·56	1·76	1·81	2·00	2·99	4.16	1·03	0·94	0·98	1.21
13	Ferro-alloys	'000 tons	18·0	12·0	28·8	25·2	21·6	N.A.	1·6	1·6	9·2	N.A.
14	Finished Steel	Million tons	1·00	1·26	1·34	1·30	1·74	2.17	0·51	0·50	0·55	0.61
15	Aluminium (Virgin metal)	'000 tons	3·6	7·2	6·5	8·2	17·2	18·1	4·4	4·6	4·7	4·4*
16	Cement	Million tons	2·6	4·5	4·9	6·1	6·8	7·7	1·9	1·9	1·8	2·1
17	Sulphuric Acid	'000 tons	102·5	166·2	165·2	226·6	292·2	363·2	92·0	88·2	91·0	92·0*
18	Caustic Soda	'000 tons	10·8	34·2	39·4	57·2	68·8	97·6	25·2	24·1	23·7	24·6
19	Soda Ash	'000 tons	43·8	77·3	84·2	89·4	93·8	142·9	34·1	33·2	35·9	39·7
20	Ammonium Sulphate	'000 tons	47·3	393·1	389·0	384·2	378·5	377·9	95·8	87·7	94·1	100·3*
21	Superphosphate	'000 tons	52·4	74·2	81·2	166·8	247·7	331·8	93·0	81·8	73·0	84·0*
22	Alcohol:											
	(i) Power	Million gallons	4·5	10·4	10·3	8·8	8·1	10·4	2·8	3·2	2·5	1·9*
	(ii) Industrial-Rectified Spirit	Million gallons	3·4	5·2	4·2	6·2	8·0	7·5	2·4	1·6	1·9	1·6*
	(iii) Industrial -Denatured Spirit	Million gallons	1·5	3·0	3·4	3·9	4·7	5·5	1·5	1·2	1·5	1·3*
23	Rayon yarn	'000 tons	2·0†	12·5	16·6	28·9	36·4	42·3	10·1	10·3	10·9	11·0
24	Paint	'000 tons	27·9	39·0	41·6	48·0	54·2	48·7	12·5	12·7	12·2	11·3*
25	Jute Textile	'000 tons	835	1027	1093	1062	1051	1067	264	272	270	261
26	Cotton yarn	Million lb	1175	1630	1671	1685	1723	1734	423	418	444	449
27	Paper and Paper-board	'000 tons	108·9	184·9	193·4	253·0	294·0	339·7	85·7	84·0	83·8	86·2*
28	Tanned Hide	'000 Nos.	2010	2312	2425	2746	3118	3470	843	906	803	918

(contd. on next page)

(*Concluded*)

	Unit	1950	1955	1956	1958	1959	1960@@				
							Total	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.
29 Rubber Tyre and Tube** . .	Million Nos.	8·9	13·1	14·6	18·1	21·8	26·2	6·0	6·7	6·7	6·8
30 Electricity Generated . .	Million Kwh	5107	8468	9611	12245	14556	16314	3873	4093	4146	4202*
CONSUMER GOODS											
31 Cotton Cloth	Million yards	3665	5094	5307	4927	4925	5044	1231	1239	1291	1283
32 Footwear	Million pairs	21·4	40·5	42·7	44·3	47·5	54·0	13·7	13·8	11·1	15·4
33 Sewing Machine . . .	'000 Nos.	30·9	101·5	130·4	205·2	252·6	295·3	72·0	74·3	71·1	77·9*
34 Electric Lamp	Million Nos.	14·3	24·2	30·7	30·5	34·8	41·3	9·6	10·3	9·7	11·7
35 Electric Fan	'000 Nos.	193·2	282·0	338·4	636·0	726·0	985·6	228·4	245·4	243·9	267·9*
36 Radio Receiver . . .	'000 Nos.	44·3	201·2	150·6	198·1	213·9	262·9	50·9	65·3	68·0	78·7
37 Bicycle	'000 Nos.	103·2	491·1	664·0	912·6	990·7	1046·8	268·2	244·4	248·8	285·4*
38 Sugar£ . . .	'000 tons	977	1590	1862	1978	1919	2421	..	..	..	..
39 Tea	Million lb.	613·2	668·4	667·2	714·0	714·0	696·0	30·4	161·4	293·8	210·4
40 Coffee	'000 tons	20·5	24·9	34·4	43·8	44·9	49·3	18·8	20·3	5·9	4·3*
41 Vanaspati	'000 tons	171·6	260·8	255·6	295·2	316·8	332·7	97·2	85·3	73·8	76·4
42 Cigarette	Billion pieces	23·6	22·8	26·3	29·8	32·2	36·2	8·9	9·3	9·1	8·9*
43 Match	'000 Cases @	523·2	615·6	615·6	626·4	649·2	660·9	162·0	165·6	164·3	169·0
44 Soap	'000 tons	72·7	99·0	110·3	123·5	130·0	132·4	33·2	35·0	34·9	29·3*

*November figures have been taken for December
@50 gross boxes of 60 sticks each
**Includes tyre and tubes of automobiles, bicycles and tractors
£Output relates to the year ending October
†Relates to 1951
‡Relates to 1952
@@ Provisional

1·7 : GENERATION AND DISTRIBUTION OF ELECTRICITY

	1950	1955	1956	1957-58	1958-59	1959-60	1960-61 (Apr.-Oct.)
1. *Total Generating Capacity*† *(Million KW)*	*1·7*	*2·7*	*2·9*	*3·2*	*3·5*	*3·9**	*N.A.*
(i) Steam plant	1·0	1·6	1·6	1·8	1·9	2·1	N.A.
(ii) Oil plant	0·1	0·2	0·2	0·2	0·3	0·3	N.A.
(iii) Hydro plant	0·6	0·9	1·1	1·2	1·3	1·5	N.A.
2. *Total Electricity Generated (Million Kwh)*	*5,107*	*8,592*	*9,662*	*11,369*	*12,994*	*15,001*	*9,565*
(i) Steam plant	2,387	4,619	5,134	6,042	6,848	7,693	4,906
(ii) Oil plant	200	231	233	254	298	307	203
(iii) Hydro plant	2,520	3,742	4,295	5,072	5,848	7,001	4,456
3. *Total Electricity Sold (Million Kwh)*	*4,157*	*7,111*	*7,959*	*9,430*	*10,719*	*12,131*	*7,826*
(i) Domestic light and small power	525	850	934	1,095	1,238	1,312	825
(ii) Commercial light and small power	309	514	546	612	683	725	511
(iii) Industrial power	2,604	4,698	5,323	6,289	7,224	8,324	5,389
(iv) Irrigation	162	255	316	506	583	720	463
(v) Other purposes	557	794	840	929	989	1,051	638

*Provisional

†At the end of the period

	Employment Exchanges at the end of the period	Registrations during the period	Vacancies notified during the period	Placements during the period	Applicants on Live Register at the end of the period
1950	123	1,210,358	419,307	331,193	330,743
1955	136	1,584,024	280,523	169,735	691,958
1956	143	1,669,895	287,618	186,855	758,503
1957	181	1,774,668	297,188	192,831	922,099
1958	212	2,203,891	364,884	233,320	1,183,299
1959	244	2,471,596	424,393	271,131	1,420,901
1960	296	2,732,548	520,330	305,553	1,606,242
1959—					
January	212	187,924	28,713	19,255	1,195,926
February	216	173,513	27,885	19,966	1,210,523
March	223	163,386	33,641	17,860	1,217,650
April	228	197,538	41,896	22,575	1,236,988
May	229	194,396	44,122	25,537	1,252,214
June	231	229,802	41,379	26,531	1,287,783
July	232	265,326	36,541	25,827	1,347,314
August	234	218,309	34,759	24,070	1,377,096
September	234	228,417	33,493	23,982	1,408,903
October	237	181,262	30,780	21,343	1,401,937
November	238	211,413	35,631	22,327	1,413,215
December	244	220,310	35,553	21,858	1,420,901
1960—					
January	253	193,515	33,214	22,106	1,425,589
February	258	175,591	32,959	22,256	1,400,965
March	270	185,310	35,757	22,430	1,387,525
April	274	210,341	43,603	21,052	1,405,510
May	274	214,528	48,104	26,113	1,423,700
June	276	260,270	41,456	28,422	1,461,925
July	276	310,825	51,303	28,869	1,563,562
August	276	254,602	45,124	30,011	1,587,851
September	276	222,196	47,147	24,718	1,584,868
October	279	227,802	45,815	25,536	1,594,347
November	281	234,028	47,550	25,624	1,582,530
December	296	243,540	48,298	28,416	1,606,242

3·1 : MONEY SUPPLY WITH THE PUBLIC AND RELATED MONETARY DATA*

(Amounts in crores of rupees)

	Last Friday of				Variations during		
	1960	1959	1958	1957	1960	1959	1958
I. MONEY SUPPLY—							
1 Currency with the Public	1898·58	1754·38	1606·45	1526·17	+144·20	+147·93	+80·28
2 Demand Liabilities (net) of banks	814·53	752·06	726·03	732·24	+62·47	+26·03	—6·21
3 'Other deposits'** with R.B.I.	25·50	14·77	17·38	16·51	+10·73	—2·61	+0·87
4 Money supply with the Public (1+2+3)	2738·61	2521·22	2349·85	2274·92	+217·39	+171·37	+74·93
II. ALLIED DATA—							
A. *Reserve Bank of India—*							
1 Deposits of Central Government	70·03	58·87	55·88	53·54	+11·16	+2·99	+2·34
2 Deposits of State Governments	9·87	24·65	17·22	13·01	—14·78	+7·43	+4·21
3 Deposits of Banks	115·68	73·02	80·92	70·69	+42·66	—7·90	+10·23
4 Foreign Assets	151·73	213·14	188·85	297·65	—61·41	+24·29	—108·80
5 Rupee Securities	1697·47	1564·26	1461·82	1242·38	+133·21	+102·44	+219·44
6 Loans and Advances to Governments	41·25	19·24	23·97	35·03	+22·01	—4·73	—11·06
7 Other Loans and Advances	159·91	92·36	65·37	60·04	+67·55	+26·99	+5·33
8 Bills Purchased and Discounted	36·88	20·32	12·83	2·70	+16·56	+7·49	+10·13
B. *Scheduled Banks—*							
9 Demand Liabilities (net)	780·43	716·87	693·96	701·82	+63·56	+22·91	—7·86
10 Time Liabilities (net)	1111·91	1110·22	879·57	665·69	+1·69	+230·65	+213·88
11 Total Deposit Liabilities (net)	1892·34	1827·09	1573·53	1367·51	+65·25	+253·56	+206·02
12 Borrowings from the R.B.I.	61·47	11·83	10·95	23·63	+49·64	+0·88	—12·68
13 Cash in India	51·66	44·52	43·32	39·63	+7·14	+1·20	+3·69
14 Balances with the R.B.I.	110·11	69·53	76·01	67·88	+40·58	—6·48	+8·13
15 (13+14) as per cent of (11)	8·55	6·24	7·58	7·86	+2·31	—1·34	—0·28
16 Investments in Government Securities	633·47	787·52	637·17	433·42	—154·05	+150·35	+203·75
17 (16) as per cent of (11)	33·48	43·10	40·49	31·69	—9·62	+2·61	+8·80
18 Scheduled Bank Credit	1180·95	964·49	865·62	857·10	+216·46	+98·87	+8·52
19 [illegible] as per cent of (11)	62·40	52·79	55·01	62·68	+9·61	—2·22	—7·67

*Provisional

**Excluding balances held on I.M.F. Account No. 1 and some extraordinary items

3·2 : FACTORS RESPONSIBLE FOR VARIATIONS IN MONEY SUPPLY*

(Rs. crores)

	1960	1959	1958
I. Increase (+) in Government Indebtedness to the Banking System	+25·6	+247·0	+417·3
1. Increase (+) in Government Indebtedness to the R.B.I.	+175·4	+94·8	+211·9
(a) Decline (+) in Government balances with R.B.I.	(+3·6)	(—10·4)	(—6·5)
(b) Increase (+) in R.B.I. holdings of Government securities	(+133·2)	(+102·4)	(+219·4)
(c) Increase (+) in loans and advances granted to Governments by R.B.I.	(+22·0)	(—4·7)	(—11·1)
(d) Increase (+) in Treasury bills discounted by R.B.I.	(+16·6)	(+7·5)	(+10·1)
2. Increase (+) in Government securities held by banks	—149·8	+152·2	+205·4
II. Increase (+) in Private Indebtedness to Banks	+235·8	—107·2	—194·7
1. Increase (+) in bank credit	+246·1	+128·8	+21·8
2. Decrease (+) in time liabilities of banks	—10·3	—236·0	—216·5
III. Increase (+) in Foreign Exchange Assets held by R.B.I.	—26·9†	+24·3	—108·6
IV. Expansionary (+) impact of changes in other assets and liabilities of R.B.I. and other banks**	—17·1	+7·3	—38·9
V. Recorded Increase (+) in Money Supply	+217·4	+171·4	+74·9

*Provisional estimates

†Exclusive of repayments to I.M.F. (Rs. 34·5 crores)

**This category includes a number of assets and liabilities of banks such as miscellaneous liabilities and assets in case of the Reserve Bank, and money at call and short notice, investments in other than government securities and miscellaneous assets and liabilities in case of the other banks. It is also affected by errors and omissions in the reporting of the data

3·3 : SECURED ADVANCES* OF SCHEDULED BANKS

(Rs. crores)

Nature of Security	December 26, 1958	December 24, 1959	December 30, 1960	Variations during 1959	Variations during 1960
(1)	(2)	(3)	(4)	(5)	(6)
I. *Food Articles*	*34·64*	*43·60*	*74·45*	*+8·96*	*+ 30·85*
1. Paddy and rice	5·40	7·82	7·30	+2·42	—0·52
2. Wheat	0·73	1·08	2·38	+0·35	+1·30
3. Other grains and pulses	4·46	5·63	5·85	+1·17	+0·22
4. Sugar and gur	19·28	20·62	47·55	+1·34	+26·93
5. Vegetable oils (including vanaspati)	4·77	8·45	11·37	+3·68	+2·92
II. *Industrial Raw Materials*	*71·91*	*84·04*	*111·56*	*+12·13*	*+27·52*
1. Groundnuts	9·15	8·63	11·07	—0·52	+2·44
2. Other oilseeds	7·92	11·64	7·58	+3·72	—4·06
3. Cotton and kapas	38·80	45·19	67·70	+6·39	+22·51
4. Raw Jute	10·77	13·67	19·57	+2·90	+5·90
5. Hides and skins	5·27	4·91	5·64	—0·36	+0·73
III. *Plantation Products*	*40·05*	*37·16*	*47·41*	*—2·89*	*+10·25*
1. Pepper and other Spices	1·99	4·19	4·00	+2·20	—0·19
2. Cashewnuts	2·30	1·86	3·70	—0·44	+1·84
3. Tea	32·34	27·10	32·83	—5·24	+5·73
4. Coffee	3·42	4·01	6·88	+0·59	+2·87

(contd. on next page)

(*concluded*)

Nature Security	December 26, 1958	December 24, 1959	December 30, 1960	Variations during 1959	Variations during 1960
(1)	(2)	(3)	(4)	(5)	(6)
IV. *Manufactures and Minerals*	*281·96*	*310·59*	*410·57*	*+28·63*	*+99·98*
1. Cotton textiles	99·83	94·47	110·70	—5·36	+16·23
2. Jute textiles	20·12	14·94	22·68	—5·18	+7·74
3. Other textiles (silk, art silk, woollen, etc.)	16·61	19·45	19·36	+2·84	—0·09
4. Iron, steel and engineering products	87·25	104·28	153·98	+17·03	+49·70
5. Other metals and metal products	11·83	15·32	20·47	+3·49	+5·15
6. Coal, manganese, mica and other Minerals and Mineral oils	9·77	12·67	14·32	+2·90	+1·65
7. Chemicals, dyes, paints, drugs and pharmaceuticals	14·33	20·44	26·25	+6·11	+5·81
8. Electrical goods	5·22	8·23	15·05	+3·01	+6·82
9 Rubber and rubber products	2·18	3·61	6·60	+1·43	+2·99
10. Other manufactured goods	14·82†	17·18†	21·16	+2·36	+3·98
V. *Other Securities*	*272·26*	*306·63*	*359·89*	*+34·37*	*+53·26*
1. Real estate	20·14	23·23	24·18	+3·09	+0·95
2. Fixed deposits	13·11	15·55	18·80	+2·44	+3·25
3. Government and other trustee securities	41·36	41·50	43·72	+0·14	+2·22
4. Shares and debentures of joint stock companies	81·12	91·19	98·46	+10·07	+7·27
5. Assets of industrial concerns—fixed or floating (other than those specified under above categories)	37·16	34·44	49·51	—2·72	+15·07
6. Other secured advances not mentioned above	61·65	84·40	106·31	+22·75	+21·91
7. Composite advances	17·72	16·32	18·91	—1·40	+2·59
VI. *Total Secured Advances (I+II+III+IV+V)*	*700·82*	*782·02*	*1003·88*	*+81·20*	*+221·86*

*Provisional Estimates
†Including Glass and Glassware, Cement, Paper and Paper Board, Newsprint and Stationery only

4·1 : INDEX NUMBERS OF WHOLESALE PRICES
(1952-53=100)

Average of Weeks	Food Articles		Liquor and Tobacco	Fuel, Power, Light & Lubricants	Industrial Raw Materials			Manufactures	All Commodities
	Total	Food-grains			Total	Raw Cotton	Raw Jute		
Weights	50·4	23·5	2·1	3·0	15·5	3·2	2·3	29·0	100·0
Financial Years									
1955-56	86·6	73·1	81·0	95·2	99·0	96·9	117·1	99·7	92·5
1956-57	102·3	93·5	84·3	104·2	116·0	110·6	125·5	106·3	105·3
1957-58	106·4	97·5	94·0	113·5	116·5	106·1	132·8	108·1	108·4
1958-59	115·2	106·3	95·4	115·4	115·6	99·2	117·5	108·1	112·9
1959-60	119·0	102·2	99·5	116·5	123·7	105·8	124·5	111·6	117·1
Calendar Years									
1956	99·0	89·7	82·3	101·6	113·2	108·7	122·2	104·9	102·6
1957	106·8	98·5	91·8	111·5	118·1	108·2	135·8	108·0	108·7
1958	112·0	102·7	93·7	115·2	114·7	100·0	120·6	108·2	111·0
1959	118·2	103·5	100·7	116·1	119·7	102·6	118·0	109·7	115·5
1960	120·3	102·9	106·4	119·0	138·8	112·4	178·5	120·8	123·0
1959—									
January	114·3	107·4	103·6	114·9	114·1	100·5	112·0	108·4	112·4
February	115·7	108·1	104·4	115·1	115·5	101·7	112·2	108·5	113·3
March	113·8	103·8	100·3	115·6	116·2	101·5	113·6	108·3	112·3
April	113·1	98·5	97·5	116·2	116·2	101·9	113·3	108·0	112·0
May	116·1	98·2	98·6	116·3	119·4	104·5	112·8	108·4	114·0
June	118·7	100·8	97·6	115·9	120·3	105·0	114·6	109·1	115·6
July	121·0	104·9	98·9	115·7	120·1	100·8	118·3	109·2	116·8
August	121·7	106·2	98·3	115·4	119·4	101·5	118·1	109·5	117·1
September	120·5	104·4	99·7	116·2	122·6	101·7	118·5	110·0	117·2
October	124·0	106·7	101·4	116·3	122·6	100·1	118·5	111·1	119·3
November	121·4	104·0	104·6	117·4	122·5	101·7	122·6	111·6	118·3
December	118·2	99·1	103·7	117·0	127·2	110·7	140·1	113·4	117·9

(*Contd. on next page*)

(*Concluded*)

Average of Weeks	Food Articles		Liquor and Tobacco	Fuel, Power, Light & Lubricants	Industrial Raw Materials			Manufactures	All Commodities
	Total	Food-grains			Total	Raw Cotton	Raw Jute		
Weights	50.4	23.5	2.1	3.0	15.5	3.2	2.3	29.0	100.0
1960—									
January	117·5	99·9	100·9	117·6	130·9	114·1	143·6	116·0	118·8
February	118·8	102·7	96·0	117·4	131·6	113·9	134·3	116·2	119·5
March	117·0	100·8	96·4	117·3	131·9	113·1	140·6	116·6	118·8
April	118·6	101·1	103·1	118·7	134·2	113·2	154·0	117·8	120·5
May	120·0	102·9	107·3	118·6	140·0	113·3	198·0	119·8	122·7
June	120·4	104·1	109·5	118·5	139·6	112·3	186·9	119·8	122·9
July	124·0	105·2	109·6	119·5	137·2	112·3	155·3	121·0	124·7
August	123·9	106·3	106·7	119·5	137·0	112·0	165·6	122·5	125·0
September	123·9	106·0	104·5	119·6	138·7	111·7	180·7	122·7	125·3
October	121·8	104·2	113·5	119·9	146·6	113·5	225·3	124·7	126·3
November	120·2	101·8	116·8	120·1	148·0	111·1	231·7	125·7	126·0
December	117·0	99·2	112·1	120·3	149·5	110·4	226·1	126·0	124·6
1961—									
January	116·4	98·2	111·2	120·2	154·5	111·2	247·8	127·6	125·6

4·2 : WORKING CLASS CONSUMER PRICE INDEX NUMBERS
(Base shifted to 1949 = 100)

Monthly average or months	Bombay	Ahmeda-bad	Calcutta	Madras	Kanpur	Delhi	Jamshed-pur	Gauhati	All-India	
									All-items	Food
Financial Years										
1955-56	110	89	93	100	79	100	99	87	96	94
1956-57	116	101	102	113	91	112	108	99	107	108
1957-58	122	104	105	117	93	112	118	104	112	111
1958-59	130	115	109	126	101	117	123	101	118	121
1959-60	136	124	112	135	97	119	126	99	123	126
Calendar Years										
1955	110	87	92	99	78	99	98	87	96	92
1956	115	98	98	111	89	109	106	96	105	105
1957	120	104	105	116	94	114	115	103	111	112
1958	129	110	110	124	98	113	123	103	116	118
1959	134	125	110	133	98	120	125	98	121	125
1960	137	121**	113	143	99	120	120	103	124	126
1959—										
October	139	131	116	137	98	120	130	101	126	131
November	138	130	114	139	99	120	128	100	126	130
December	137	126	111	137	96	119	127	99	122	126
1960—										
January	137	123	110	136	96	121	120	99	122	124
February	136	119	111	138	98	122	118	97	122	124
March	135	116	112	138	97	119	119	100	121	123
April	137	117	112	138	97	117	117	103	122	123
May	137	120	113	140	96	116	117	105	123	124
June	137	122	114	143	96	117	119	107	124	126
July	138	122	116	145	101	121	119	108	126	129
August	137	123	117	146	101	121	122	104	126	129
September	136	122	117	146	101	122	122	102	125	128
October	137	123	113	148	102	122	119	105	125*	127*
November	138	N.A.	112	150	102	121	122	102	125*	126*
December	136	N.A.	110	151	100	121	121	102	124*	125*

*Provisional
**Average of ten months ending October

4·3 : INDEX NUMBERS OF SECURITY PRICES—ALL-INDIA

Average of weeks ended Saturday	Government and Semi-Government securities	Debentures of Joint Stock Companies	Preference shares	Variable Dividend Industrial Securities							Total
				Cotton Textiles	Jute Textiles	Iron and steel	Coal	Cement	Sugar	Financial institutions	
				(Base 1949-50 = 100)							
1955-56 . . .	90·9	100·8	87·3	118	95	154	81	164	105	90·3	121·6
1956-57 . . .	90·5	100·1	82·9	134	70	147	78	176	105	92·7	121·2
1957-58 . . .	89·3	98·1	74·5	105	52	119	67	141	95	93·3	100·3
				(Base 1952-53 = 100)							
1957-58* . .	98·3	99·6	88·0	119·9	63·4	115·7	89·1	125·2	159·7	150·2	125·4
1958-59 . . .	99·9	100·1	87·2	113·6	80·2	145·2	107·1	129·0	163·9	176·2	137·3
1959-60 . . .	101·2	101·8	92.2	129·2	96·6	161·0	113·7	136·0	178·6	173·6	155·3
1959—											
October . . .	101·7	102·1	93·4	131·9	98·8	162·3	111·7	135·9	184·0	169·8	156·1
November . .	101·6	101·9	92·6	133·6	99·8	159·5	109·6	134·7	186·7	169·5	157·2
December . .	101·5	101·7	91·7	134·6	95·1	157·3	105·4	132·1	185·0	169·4	157·6
1960—											
January . . .	101·5	101·7	91·3	141·5	94·5	151·5	107·5	135·1	183·2	175·6	158·7
February . .	101·4	101·7	91·2	139·9	92·9	150·0	111·2	134·7	178·9	175·8	158·3
March . . .	101·3	101·5	91·0	144·6	96·0	154·4	117·4	141·9	182·9	178·4	165·0
April . . .	101·3	101·3	90·8	144·5	95·1	154·7	119·5	142·8	184·9	173·0	166·5
May . . .	101·2	101·1	90·1	148·4	94·0	167·5	124·0	146·2	190·1	168·6	173·4
June . . .	101·1	101·0	89·4	152·2	94·7	163·9	122·9	146·1	195·3	168·4	175·3
July . . .	101·2	101·0	87·3	159·5	92·4	163·4	122·9	148·9	194·2	173·0	178·1
August . . .	101·2	100·9	86·9	161·3	96·8	167·3	123·3	149·6	193·3	178·4	179·8
September . .	101·2	100·7	86·9	155·3	92·5	164·4	119·7	145·5	192·5	174·1	173·6
October . .	101·0	100·7	86·5	148·2	88·2	151·9	114·8	140·8	188·4	170·8	166·1
November . .	100·6	100·7	86·2	147·9	85·6	153·3	113·8	143·1	192·3	177·0	169·6
December . .	100·7	100·6	85·6	144·4	84·4	151·6	115·1	140·4	187·1	178·1	167·0

*Average of 40 weeks

5·1 : INDIA'S BALANCE OF PAYMENTS

(Rupees crores)

	1955-56	1956-57	1957-58	1958-59	1959-60†					1960-61†		
					1st qr.	2nd qr.	3rd qr.	4th qr.	Total	1st qr.	2nd qr.	Total (Apr.-Sep. 60)
1. Imports c.i.f.	761·4	1099·5	1233·6	1029·6	242·8	230·3	198·4	252·2	923·7	288·2	250·5	538·7
(*a*) Private	621·3	811·9	696·2	504·8	133·8	124·0	118·6	130·9	507·3	149·2	138·3	287·5
(*b*) Government	140·1	287·6	537·4	524·8	109·0	106·3	79·8	121·3	416·4	139·0	112·2	251·2
2. Exports f.o.b.	640·2	635·2	594·1*	575·9	136·1	149·7	181·1	156·4	623·3	152·6	146·7	299·3
3. Trade Balance (2-1)	—121·2	—464·3	—639·5	—453·7	—106·7	—80·6	—17·3	—95·8	—300.4	—135·6	—103·8	—239·4
4. Non-monetary gold movement	..	..	..	..	..	..	5·9	..	5·9	..	..	..
5. Official Donations	45·0	39·5	34·1	34·4	8·4	12·6	8·2	6·4	35·6	16·7	10·1	26·8
6. Other Invisibles (net)	88·5	112·5	104·0	91·7	21·9	16·0	24·9	15·3	78·1	24·8	10·0	34·8
7. Current Account (net)	12·3	—312·3	—501·4	—327·6	—76·4	—52·0	21·7	—74·1	—180·8	—94·1	—83·7	—177·8
8. Official Loans	9·7	30·7	115·1	218·6	38·3	45·7	47·5	54·0	185·5	59·4	58·9	118·3
9. Other Capital Transactions (net)	10·0	—2·0	101·7	88·4	25·3	2·7	—23·1	—4·5	0·4	2·1	16·8	18·9
10. Drawings on I.M.F.	..	60·7	34·5	..	..	..	..	..	..	..	..	..
11. Errors and Omissions	—17·0	1·6	—9·8	—21·7	—9·8	—0·9	—10·4	—0·1	—21·2	—3·3	—11·1	—14·4
12. Movement in Foreign Exchange Reserves (Increase +) (Decrease—)	+15·0	—221·3	—259·9	—42·3	—22·6	—4·5	+35·7	—24·7	—16·1	—35·9	—19·1	—55·0

*Excludes silver despatched to the U.S.A.
†Preliminary

5·2 : CATEGORY-WISE BREAKDOWN OF PRIVATE IMPORTS*

(Rs. crores)

	Total 1955-56	Total 1956-57	Total 1957-58	Total 1958-59	1959-60** April-June	July-Sept.	Oct.-Dec.	Jan.-March	Total 1959-60	1960-61** April-June	July-Sept.	Total (Apr.-Sept. 1960)
I. Consumer Goods	*104·4*	*123·4*	*104·3*	*63·9*	*14·5*	*14·3*	*17·7*	*19·0*	*65·5*	*17·5*	*16·4*	*33·9*
1. Food, drink and tobacco	34·4	38·8	27·9	18·9	3·5	3·3	6·1	7·1	20·0	4·9	4·6	9·5
2. Drugs and medicines	12·4	14·2	15·7	9·9	2·1	2·1	2·2	2·4	8·8	2·6	2·2	4·8
3. Paper, paperboard and newsprint	N.A.£	14·5	12·1	7·1	2·3	1·9	2·1	2·1	8·4	2·1	2·1	4·2
4. Electrical goods	18·5	23·8	24·8	15·6	4·1	3·6	3·3	3·5	14·5	4·5	3·7	8·2
5. Others	39·1£	32·1	23·8	12·4	2·5	3·4	4·0	3·9	13·8	3·4	3·8	7·2
II. Raw Materials and Produce	*172·5*	*186·6*	*146·6*	*121·5*	*46·0*	*43·1*	*34·8*	*44·4*	*168·3*	*51·3*	*45·5*	*96·8*
1. Mineral oils	64·8	90·0	79·8	57·2	24·9	23·5	16·6	17·5	82·5	21·0	13·7	34·7
2. Cotton, raw and waste	57·6	47·8	19·2	25·1	11·3	8·2	5·6	12·3	37·4	14·5	14·9	29·4
3. Jute, raw and waste	18·4	7·8	6·5	2·6	0·4	0·2	0·7	1·5	2·8	1·4	1·4	2·8
4. Others	31·7	40·1	41·1	36·6	9·4	11·2	11·9	13·1	45·6	14·4	15·5	29·9
III. Intermediate Goods	*151·7*	*240·1*	*179·1*	*125·1*	*27·8*	*28·6*	*28·1*	*29·5*	*114·0*	*38·3*	*36·5*	*74·8*
1. Chemicals	21·9	28·5	21·8	24·3	6·1	6·8	7·6	7·9	28·4	8·8	7·1	15·9
2. Dyes and colours	15·6	15·0	14·3	12·4	2·8	3·1	2·8	2·8	11·3	2·9	3·0	5·9
3. Metals, iron and steel	58·4	118·2	82·7	41·6	8·0	7·6	7·4	8·4	31·4	13·8	13·6	27·4
4. Metals other than iron and steel	23·7	37·3	33·6	23·9	4·7	6·4	7·3	6·9	25·3	8·8	8·9	17·7
5. Textile yarns	32·1@	41·0	26·7	22·9	6·2	4·7	3·2	3·5	17·6	4·0	3·9	7·9
IV. Capital Goods	*153·4*	*213·8*	*206·5*	*141·7*	*31·7*	*33·7*	*34·6*	*34·5*	*134·5*	*38·2*	*36·1*	*74·3*
1. Machinery	107·7	153·1	166·1	109·7	23·4	23·3	24·3	22·9	93·9	27·0	23·5	50·5
2. Vehicles (incl. locomotives)	37·5	46·3	35·8	24·7	6·7	7·6	8·9	9·5	32·7	9·4	10·9	20·3
3. Ships, aircrafts and parts	8·2	14·4	4·6	7·3	1·6	2·8	1·4	2·1	7·9	1·8	1·7	3·5
V. Others	*24·7@*	*47·0*	*59·7*	*52·6*	*13·8*	*4·3*	*3·4*	*3·5*	*25·0*	*3·9*	*3·8*	*7·7*
TOTAL	*606·7†*	*810·9†*	*696·1*	*504·8*	*133·8*	*124·0*	*118·6*	*130·9*	*507·3*	*149·2*	*138·3*	*287·5*

*Based on ECD data **Preliminary @Estimated.

†The revised figures of annual private imports for 1955-56 and 1956-57 are respectively Rs. 621·3 crores and Rs. 811·9 crores

£Figures for paper, paperboard and newsprint are not separately available for 1955-56 and are therefore included in "others" under consumer goods

5·3 : CATEGORY-WISE BREAKDOWN OF EXPORTS*

(Rs. crores)

	Total 1955-56	Total 1956-57	Total 1957-58	Total 1958-59	1959-60‡ April-June	1959-60‡ July-Sept.	1959-60‡ Oct.-Dec.	1959-60‡ Jan.-March	1959-60‡ Total 1959-60	1960-61‡ April-June	1960-61‡ July-Sept.	1960-61‡ Total (April-Sept. 1960)
I. Food, drink and tobacco	*181·7*	*213·6*	*195·3*	*206·1*	*36·6*	*45·7*	*63·8*	*52·4*	*198·5*	*38·3*	*48·0*	*86·3*
Of which :												
Tea	110·6	149·3	119·4	137·9	15·4	30·5	51·3	32·6	129·8	13·5	30·7	44·2
II. Raw materials and produce and articles mainly unmanufactured	*227·4*	*190·0*	*176·0*	*159·6*	*48·9*	*49·6*	*53·0*	*49·5*	*201·0*	*54·6*	*39·5*	*94·1*
Of which :												
1. Cotton raw and waste	45·6	23·7	15·9	23·2	4·1	5·0	2·8	3·3	15·2	3·2	2·1	5·3
2. Vegetable oils	40·1	25·5	14·9	9·6	3·4	4·3	6·3	4·0	18·0	4·4	3·8	8·2
3. Hides and skins, raw and tanned	23·0	30·4	30·5	29·2	10·2	11·8	11·7	11·6	45·3	11·9	8·1	20·0
4. Metallic ores	} 29·7	19·8	16·1	14·5	5·1	4·7	4·4	5·6	19·8	8·1	6·3	14·4
5. Manganese ore		21·1	29·4	13·2	4·1	3·4	2·2	2·3	12·0	4·1	2·5	6·6
III. Articles wholly or mainly manufactured	*254·4*	*255·9*	*242·0*	*231·7*	*55·7*	*59·9*	*71·1*	*61·1*	*247·8*	*66·0*	*64·3*	*130·3*
Of which :												
1. Jute manufactures	120·3	126·3	118·2	105·9	25·9	26·1	32·0	27·0	111·0	31·6	32·6	64·2
2. Cotton manufactures	86·4	80·3	76·2	62·5	16·2	19·9	23·9	20·3	80·3	18·8	18·0	36·8
IV. Others	*8·4*	*8·4*	*8·7*	*7·9*	*2·3*	*2·6*	*2·8*	*2·2*	*9·9*	*2·1*	*1·8*	*3·9*
TOTAL (c.i.f.)	*671·9*	*667·9*	*622·0*	*605·3*	*143·5*	*157·8*	*190·7*	*165·2*	*657·2*	*161·0*	*153·6*	*314·6*
Less estimated freight and insurance	*30·8*	*31·1*	*27·0*	*25·5*	*6·1*	*6·6*	*8·0*	*6·9*	*27·6*	*6·7*	*6·5*	*13·2*
Exports (f.o.b.)	*641·1*†	*636·8*†	*594·1*§	*575·9*§	*136·1*§	*149·7*§	*181·1*§	*156·4*§	*623·3*§	*152·6*§	*146·7*§	*299·3*§

*Based on ECD data

†Revised annual figures for exports are Rs. 640·2 crores in 1955-56 and Rs. 635·2 crores in 1956-57

‡Preliminary

§Excludes also the deviation between value declared and actual realized value

5·4 : REGIONAL PATTERN OF INDIA'S BALANCE OF PAYMENTS CURRENT ACCOUNT

(Rs. crores)

Period	Sterling Area	Dollar Area	OEEC countries	Rest of non-sterling Area	Total
1953-54	+64·2	+27·2	—57·5	+13·5	+47·4
1954-55	+52·9	+14·9	—75·7	+13·9	+6·0
1955-56	+44·2	+39·2	—84·5	+13·4	+12·3
1956-57	—37·9	—44·5	—199·9	—30·0	—312·3
1957-58	—71·8	—122·1*	—255·8	—51·7	—427·0
1958-59	—19·0	—81·3	—167·3	—60·0	—327·6
1959-60‡	—57·4	—48·4†	—106·0	+25·1	—186·7
1st quarter	—20·7	—19·2	—27·2	—9·3	—76·4
2nd quarter	—23·3	—10·7	—24·3	+6·3	—52·0
3rd quarter	+11·9	+8·8†	—22·4	+17·5	+15·8
4th quarter	—25·3	—27·3	—32·1	+10·6	—74·1
1960-61‡					
1st quarter	—23·4	—42·1	—37·1	+8·5	—94·1
2nd quarter	—7·9	—42·8	—33·4	+0·4	—83·7

Net credit (+), Net debit (—)

*Excludes silver despatched to the U.S.A.

‡Preliminary

†Excluding non-monetary gold

TABLE 5.5
EXTERNAL ASSISTANCE—
AUTHORISED AND UTILISED

5·5 : EXTERNAL ASSISTANCE—AUTHORISED AND UTILISED†

(Rs. crores)

Details of Assistance	Aid authorised before 1st Plan	Aid authorised during 1st Plan	Utilisation upto end of 1st Plan	Balance available for utilisation during 2nd Plan	Aid authorised from 1-4-1956 to 31-12-1960	Total available for utilisation during 2nd Plan	Estimated utilisation from 1-4-1956 to 30-9-1960	Balance available for utilisation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
A. Loans and credits to be repaid in foreign currency—								
I. I.B.R.D.—								
(a) Public sector								
1. Agriculture	3·43	..	3·43	..	..	..	..	..
2. Railways—I	15·62	..	15·62	..	..	..	..	..
3. Railways—II	..	..	..	..	42·86	42·86	42·86	..
4. Railways—III	..	..	..	..	40·48	40·48	40·48	..
5. Railways—IV	..	..	..	..	23·81	23·81	23·81	..
6. Railways—V	..	..	..	..	33·33	33·33	..	33·33
7. D.V.C.—I	7·96	..	7·96	..	..	..	..	..
8. D.V.C.—II	..	5·00	1·96	3·04	...	3·04	3·04	..
9. D.V.C.—III	..	..	..	..	10·48	10·48	8·04	2·44
10. Koyna	..	..	..	..	11·90	11·90	2·78	9·12
11. A.I.I.	..	..	..	..	2·67	2·67	2·67	..
12. Calcutta Port	..	..	..	..	13·81	13·81	3·51	10·30
13. Madras Port	..	..	..	..	6·67	6·67	1·32	5·35
TOTAL—(*a*)	27·01	5·00	28·97	3·04	186·01	189·05	128·51	60·54

(b) Private sector									
1. IISCO—I	..	14·30	2·78	11·52	..	11·52	10·87	0·65
2. IISCO—II	..	..	..	..	9·52	9·52	7·98	1·54
3. TISCO—I	..	..	..	..	35·71	35·71	35·71	..
4. TISCO—II	..	..	..	..	15·47	15·47	15·47	..
5. Trombay—I	..	6·64	2·09	4·55	..	4·55	4·10	0·45
6. Trombay—II	..	..	..	..	4·67	4·67	4·22	0·45
7. ICICI—I	..	4·76	..	4·76	..	4·76	3·23	1·53
8. ICICI—II	..	..	..	..	4·76	4·76	0·03	4·73
9. ICICI—III	..	..	..	..	9·52	9·52	..	9·52
TOTAL—(*b*)	..	25·70	4·87	20·83	79·65	100·48	81·61	18·87
TOTAL—I	27·01	30·70	33·84	23·87	265·66	289·53	210·12	79·41
II. Loans from foreign countries—								
United States of America—								
(*i*) Wheat loan	..	90·31	90·31	..	..	..	..	..
(*ii*) Exim Bank loan	..	..	..	..	71·43	71·43	19·73	51·70
(*iii*) U. S. Banks' two loans to A.I.I.	..	..	..	..	5·90	5·90	5·33	0·57
(*iv*) Exim Bank Loan to Hindustan Aluminium Corporation	..	..	..	6.48	6.48	..	6.48
2. *U.S.S.R.*—								
(*i*) Credit for Bhilai Steel Plant	..	64·38	..	64·38	..	64·38	64·38	..
(*ii*) Credit for Industrial Projects	..	..	..	..	59·52	59·52	4·32	55·20
(*iii*) Credit for Drugs Project	..	..	..	..	9·52	9·52	..	9·52
(*iv*) Credit for Oil Refinery at Barauni	..	..	..	..	11·91	11·91	..	11·91

(*Contd. on next page*)

(*Continued*)

Details of Assistance	Aid authorised before 1st Plan	Aid authorised during 1st Plan	Utilisation upto end of 1st Plan	Balance available for utilisation during 2nd Plan	Aid authorised from 1-4-56 to 31-12-60	Total available for utilisation during 2nd Plan	Estimated utilisation from 1-4-56 to 30-9-60	Balance available for utilisation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
3. *United Kingdom*—								
(*i*) ECGD-I Credit for Durgapur Steel Plant	..	..	..	..	20·00	20·00	20·00	..
(*ii*) Lazard Bros. Credit for Durgapur Steel Plant	..	..	..	..	15·33	15·33	15·33	..
(*iii*) ECGD-II Credit for Capital Goods	..	..	..	..	38·00	38·00	38·00	..
(*iv*) ECGD-III Credit for Oil Pipe-line	..	..	..	..	4·00	4·00	2·61	1·39
(*v*) ECGD-IV Credit for Capital Goods	..	..	..	..	25·33	25·33	25·33	..
(*vi*) U. K. India (General) Credit Agreement 1960	..	..	..	..	13·33	13·33	6·55	6·78
(*vii*) Second U. K. India (General) Credit Agreement 1960	..	..	..	..	6·67	6·67	..	6·67
4. *West Germany*—								
(*i*) Credit for Rourkela Steel Plant	..	..	..	..	74·83	74·83	58·11	16·72
(*ii*) Credit for Capital Goods—I	..	..	..	..	19·05	19·05	19·05	..
(*iii*) Credit for Capital Goods—II	..	..	..	..	14·18	14·18	14·18	..
(*iv*) Credit for Capital Goods—III	..	..	..	..	14·18	14·18	..	14·18
5. *Canada*—								
(*i*) Wheat Loan—I	..	..	..	..	11·51	11·51	11·51	..
(*ii*) Wheat Loan —II	..	..	..	..	4·20	4·20	4·20	..

6. *Japan*—								
(*i*) Exim Bank Credit	..	..	..	..	23·81	23·81	7·55	16·26
(*ii*) Credit for Orissa Iron Ore Project*	..	..	..	..	3·81	3·81	..	3·81
TOTAL—II	..	154·69	90·31	64·38	452·99	517·37	316·18	201·19
TOTAL—'A'	27·01	185·39	124·15	88·25	718·65	806·90	526·30	280·60
B. Loans and credits to be repaid in rupees—								
U.S.A.—								
(*i*) Loans under TCA Programme$	..	39·28	2·29	36·99	22·63	59·62	50·47	9·15
(*ii*) Development Loan Fund—I	..	..	..	..	30·96$$	30·96	21·10	9·86
(*iii*) Development Loan Fund—II	..	..	..	..	47·62	47·62	35·32	12·30
(*iv*) Development Loan Fund—III	..	..	..	..	9·52	9·52	0·21	9·31
(*v*) President's Asian Economic Development Loan Fund	..	..	..	..	9·52	9·52	..	9·52
(*vi*) Development Loan Fund—IV	..	..	..	..	37·72	37·72	..	37·72
(*vii*) Development Loan Fund—V	..	..	..	..	54·33	54·33	..	54·33
(*viii*) Development Loan Fund—VI	..	..	..	..	14·29	14·29	..	14·29
TOTAL—'B'	..	39·28	2·29	36·99	226·59	263·58	107·10	156·48
C. Grants—								
1. *U.S.A.*								
(*i*) TCA Programme$	..	90·75	42·00	48·75	46·66	95·41	74·83	20·58
(*ii*) Ford Foundation	..	5·61	2·26	3·35	8·59@	11·94	4·07	7·87
2. Norway	..	0·66	0·66	..	1·53	1·53	1·53	..
3. USSR (Agricultural machinery and equipment for I.I.T. Bombay)	..	..	..	..	1·15	1·15	1·15	..
4. West Germany (Okhla Industrial Estate and I.I.T. Madras)	..	..	..	..	2·09	2·09	0·56	1·53
5. Colombo Plan	..	45·53	25·26	20·27	61·23	81·50	64·27	17·23
TOTAL—'C'	..	142·55	70·18	72·37	121·25	193·62	146·41	47·21
TOTAL (A+B+C)	27·01	367·22	196·62	197·61	1066·49	1264·10	779·81	484·29

(*Contd. on next page*)

(*Concluded*)

Details of Assistance	Aid authorised before 1st Plan	Aid authorised during 1st Plan	Utilisation upto end of 1st Plan	Balance available for utilisation during 2nd Plan	Aid authorised from 1-4-56 to 31-12-60	Total available for utilisation during 2nd Plan	Estimated utilisation from 1-4-56 to 30-9-60	Balance available for utilisation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
*D. U.S. PL 480 Assistance***	..	..	..	..	168·83	168·83	167·74	1·09
(*i*) August, 1956	..	..	..	..	26·31	26·31	23·85	2·46
(*ii*) June, 1958	..	..	..	..	123·72	123·72	112·49	11·23
(*iii*) September, 1958	..	..	..	..	141·84	141·84	124·15	17·69
(*iv*) November, 1959	..	..	..	..	460·70	460·70	428·23	32·47
TOTAL—'D'	..	..	..	..	1527·19	1724·80	1208·04	516·76
GRAND TOTAL (A+B+C+D)	27·01	367·22	196·62	197·61				

† Exclude the following authorisations :

	(Rs. crores)
1. U.S.S.R. credit for Third Plan (12-9-59)	178·58
2. Czech credit for Third Plan (Nov. '59)	23·10
3. Yugoslav credit for Third Plan (Jan. '60)	19·05
4. Polish credit for Third Plan (May '60)	14·30
5. U. S. Exim Bank Loan-II for Third Plan (Dec. 1960)	23·81
6. U. S. Exim Bank Loan for A.I.I.	1·95
7. PL 480 Assistance (May 1960)	635·57

8. Third country currency assistance from USA (Rs. 2·89 crores)
9. Assistance received in the form of suppliers' credit, *e.g.* from France, Switzerland, Czechoslovakia and Rumania
10. Assistance under U. N. Special Fund (Rs. 4·16 crores)

@ Upto October 1960

*No formal agreement has been signed

$Includes assistance under P.L. 665

$$DLF Loan No. 2 dated 23-6-58 has since been reduced from $40 million to $30 million and included in DLF Loan No. 151[1] dated 5-12-1960 thereby reducing the total authorisation under DLF—I from Rs. 35.71 crores to Rs. 30·96 crores

**Utilisation refers to imports of commodities and not to loans and grants made from the sale proceeds

The rupee deposits are to be used as follows :

(Rs. crores)

	August 1956 authorisation	June 1958 authorisation	September 1958 authorisation	November 1959 authorisation	Total
(*i*) Retained for U.S. uses . . .	35·38	3·67	13·14	21·30	73·49
(*ii*) Loans to Government of India for economic development	107·74	15·88	61·76	56·72	242·10
(*iii*) Grants to Government of India for economic development . . .	25·71	..	17·86	56·72	100·29
(*iv*) Mutually agreeable loans to U.S. and Indian firms	..	6·76	30·96	7·10	44·82
TOTAL . . .	168·83	26·31	123·72	141·84	460·70

6·1 : NET CAPITAL FORMATION OUT OF THE BUDGETARY RESOURCES OF THE CENTRAL GOVERNMENT

(Rs. crores)

	1950-51 (Acct.)	1951-52 (Acct.)	1952-53 (Acct.)	1953-54 (Acct.)	1954-55 (Acct.)	1955-56 (Acct.)	1956-57 (Acct.)	1957-58 (Acct.)	1958-59 (Acct.)	1959-60 (R.E.)	1960-61 (B.E.)
A. Net capital formation by the Central Government:											
(*a*) Fixed assets	49·2	49·4	43·2	67·5	86·8	127·8	183·7	202·9	179·9	205·7	251·9
(*b*) Works stores	9·9	5·0	—1·0	3·2	—2·5	5·1	23·0	37·2	21·0	—19·3	—19·1
(*c*) Increase in policy stocks of foodgrains etc.	—9·3	10·4	—15·7	—24·4	68·1	—12·5*	—9·2*	21·8*	23·1	18·6	38·7
TOTAL	49·8	64·8	26·5	46·3	152·4	120·4	197·5	261·9	224·0	205·0	271·5
B. Financial assistance for net capital formation :											
(*a*) To State Governments	41·1	76·3	98·8	130·4	230·7	272·7	206·0	261·6	283·1	315·3	346·9
(*b*) To Non-Departmental commercial undertakings	5·2	11·4	8·5	9·5	19·7	22·0	60·6	170·3	256·0	241·0	213·4
(*c*) To Others	2·4	10·6	8·2	18·4	35·3	33·4	32·9	42·9	31·8	33·9	40·3
TOTAL	48·7	98·3	115·5	158·3	285·7	328·1	299·5	474·8	570·9	590·2	600·6
C. Total net capital formation out of the budgetary resources of the Central Government (A+B)	98·5	163·1	142·0	204·6	438·1	448·5	497·0	736·7	794·9	795·2	872·1

*Revised

NOTE :—Worked out from the budgets of the Central Government

GMGIPND—TSS—406 M of Fin—24-2-61—4,500

GOVERNMENT OF INDIA

EXPLANATORY MEMORANDUM

on the

Budget of the Central Government

for

1961-62

(As laid before Parliament)

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1961-62

(As laid before Parliament)

Budget, 1961-62

Explanatory Memorandum

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PREFACE

As a result of the decision taken in 1959-60 to present the Demands for Grants by Ministries, the Explanatory Memorandum now consists mainly of two sections, the first dealing with the estimates of revenue and expenditure met from revenue and the second dealing with the capital transactions.

Notes explaining the variations in the provision under individual Demands for Grants and notes on important schemes appear in the separate volumes of Demands for Grants of the individual Ministries concerned. The balance-sheets and accounts of commercial and other undertakings, have also been included in the volumes of Demands. In addition, following the suggestion made by the Estimates Committee in their Sixtieth Report, the statements showing new items of expenditure costing Rs. 5 lakhs and above, included in the Budget for 1961-62, have also been added to the individual volumes containing the Demands for Grants. The total number and amounts of such items pertaining to each Ministry have, however, been indicated in the Explanatory Memorandum in the form of a summary. It has not yet been possible to bring out Hindi version of Parts III and IV of the Demands for Grants giving the circle-wise details of the provisions included in the estimates. The Hindi version of Parts I and II of the Demands for Grants has, however, been slightly re-arranged so as to bring together all the Demands of each Ministry along with the reasons for variations and notes on important schemes, balance-sheets, etc., within the two running volumes relating to all the Ministries. The figures given in the Hindi Budget documents which used to be in Devnagari numerals have, with effect from this year, been given in international numerals.

The Summary of Revenue and Expenditure is derived from the Annual Financial Statement which itself is based on the classification adopted in the accounts. Along with this Summary, an additional statement is given which attempts to reclassify the Revenue and Expenditure transactions according to their broad categories by eliminating transfers and other adjustments adopted in the accounts.

Certain data and statistics of economic interest are given in the Economic Survey presented along with the Budget.

Annexures are added at the end giving the progress of revenue and expenditure over a period of years, summary of new items costing Rs. 5 lakhs and above, provision for Plan expenditure, details of the resources transferred from the Centre to the States, the distribution by Demands for Grants and Appropriations of the expenditure shown by heads of account in the Budget statement, the distribution of the civil and Posts and Telegraphs expenditure estimates for 1961-62 under broad categories, the nature and purpose of the Special Development Fund and other foreign aid received by India, the loans from friendly foreign Governments and from other institutions, details of investments made in industrial undertakings and other concerns and returns therefrom, progressive figures of the net receipts from public borrowings in India, net receipts realised

under Unfunded Debt, guarantees given by the Central Government and outstanding at the end of 1960, a consolidated statement of contributions to International odies, a table of the income-tax payable as percentage of total income and a Summary of the Ways and Means. Another annexure has been added this year with a view to facilitate the comparison of the provision included in the various Demands in the current and the next year following the changes in classification explained in Part II of the Introductory Note.

The annexures relating to progress of revenue and expenditure have been modified by providing separate annexures showing "Gross tax revenue collected and cost of collection" and "Analysis of expenditure on social and developmental services".

The Introductory Note has been divided into two Parts. Part I explains the structure of the budget, the various types of transactions included in the different sections of the accounts and the relation between the annual financial statement laid before Parliament and the Demands for Grants and Appropriations presented to it; while Part II gives details of the changes introduced in accounting and budgetary structure with effect from the next financial year.

In this Memorandum the expressions "current year" and "next year" indicate the financial years 1960-61 and 1961-62 respectively. Unless otherwise stated all amounts are in lakhs of rupees. Sterling transactions in the current year have been converted at the rate of 1 sh. 5 31/32 d. on the basis of the actual rates prevailing upto January 1961. In accordance with the usual practice similar transactions included in the budget for 1961-62 have been converted into rupees at the standard rate of 1 sh. 6 d. to the rupee. Conversion of non-sterling transactions both in the current and the next year has been made at I.M.F. parity rates. The difference between this rate and those actually prevailing from time to time has been provided under "57/XLVI-Miscellaneous—Loss or gain by exchange", as the case may be.

The accounts for the year 1959-60 have not been finally closed. The actuals for that year shown in the Explanatory Memorandum and elsewhere are, therefore, provisional and subject to readjustment.

INTRODUCTORY NOTE

PART I

The "annual financial statement" laid before both Houses of Parliament, in accordance with the provisions of the Constitution, is the budget of the Central Government. This statement covers all the transactions of the Central Government during the current and the ensuing year. The budget of the Indian Railways is separately presented to Parliament and dealt with by it. But as the receipts and expenditure of the Railways are, nevertheless, the receipts and expenditure of the Government of India, the figures relating to these are also included in lump in the general budget.

2. The annual financial statement is prepared by major heads of account, prescribed in consultation with the Comptroller and Auditor General. These heads fall either under the Consolidated Fund of India or in the Public Account of the Government. In addition, the Government of India also maintain a Contingency Fund, set up under Art. 367(1) of the Constitution, with a balance of Rs. 15 crores, for making advances for urgent unforeseen expenditure, which are recouped to the Fund by debit to the Consolidated Fund of India, after obtaining Parliamentary sanction for such expenditure. The receipts and expenditure of Government fall under one or other of the major heads either in the Consolidated Fund or the Public Account in accordance with the prescribed rules of classification.

3. All revenues received by the Government of India, all loans raised by the Government by the issue of Treasury Bills, loans or ways and means advances and all monies received by Government in repayment of loans are credited to the Consolidated Fund and monies can be appropriated from that Fund only in accordance with law and for the purposes and in the manner provided in the Constitution. All other public monies received by or on behalf of the Government of India are credited to the Public Account. Government expenditure, including expenditure on loans and advances by Government, the repayment of loans, treasury bills and ways and means advances is met out of the Consolidated Fund. The estimates of expenditure have to show separately the sums required to meet expenditure which the Constitution has "charged" upon the Consolidated Fund and the sums required to meet other expenditure. The estimates have also to distinguish expenditure on revenue account from other expenditure. The latter covers expenditure on capital outlay, loans given by Government and expenditure on the repayment of loans, treasury bills and ways and means advances.

4. The estimates of expenditure to be met from the Consolidated Fund are presented to the Lok Sabha in the form of Demands for Grants, except to the extent to which such expenditure is "charged" on the Consolidated Fund and, in consequence, does not require a vote of the Lok Sabha. These demands generally cover the requirements of each individual administrative service. For example, a Ministry will have a demand for its own expenditure and one for the expenditure of each one of the various departments under its administrative control. Except in special circumstances, a demand does not cover more than one department or more than one head of account. The main exception to this is that all expenditure controlled by the head of each of the Union Territories is brought together in a single demand. There are also demands for miscellaneous departments and for purposes such as, payments of grants-in-aid, etc. for some Ministries. A single Demand covers the loan requirements of all Ministries and Union territories. The "charged" expenditure

under any head for which there is a voted demand is included in that demand, but is shown separately and is, as explained earlier, not presented for vote. Where expenditure is wholly charged, a separate appropriation is included for it in the Book of Demands. Demands are also presented for the working expenses of the commercial departments, although in the accounts the expenditure is taken in reduction of the revenue of these departments.

5. Within each demand the estimates are arranged by suitable sub-heads, which indicate the categories and nature of expenditure included in the demand. So long as the total demand is not exceeded, Government (and authorities subordinate to them to whom powers may be delegated) can meet excesses under one sub-head from savings in another except that excess in "charged" expenditure cannot be met by savings under "voted" heads and *vice versa.*

6. One qualification must be remembered in considering the demands for grants. Although they are generally by major heads, the total of all the demands relating to a major head and the 'charged' expenditure provided under that head may not agree with the total shown in the annual financial statement. This is because certain recoveries are taken in the accounts in reduction of expenditure while in the demands, which when passed, provide the authority for incurring the particular item of expenditure, these recoveries are not taken into account. These recoveries mostly relate to inter-departmental adjustments or recoveries from other Governments, *ad hoc* funds, etc. Thus if the Union Excise Department does some work for Customs, the gross expenditure will appear in the demand under Union Excises while the accounts will show only the net expenditure (*i.e.* gross expenditure less recovery from Customs) under the major head 'Union Excise Duties'. Similarly, while the interest received on the capital advanced to commercial departments and State Governments is taken in the accounts in reduction of expenditure under the major head 'Interest', the appropriation for 'Interest' will show the actual sum which Government have to find for the payment of interest on and the servicing of the outstanding debt and other interest bearing obligations.

7. After the demands have been voted by the Lok Sabha, the monies required to meet the grants so voted and the expenditure 'charged' on the Consolidated Fund and included in the annual financial statement presented to Parliament are withdrawn from the Consolidated Fund under the authority of an Appropriation Act passed by Parliament.

8. For payments out of the Public Account, no demand is required to be presented to Parliament and the requirements are met from time to time as they arise. These payments are largely of the nature of banking transactions. State Provident Funds, Depreciation and other Reserve Funds of Government departments, Post Office Savings Bank, Post Office Cash and other Savings Certificates, Postal Life Insurance Fund, *ad hoc* funds created by Government by appropriation from revenue or otherwise, miscellaneous deposits and remittances are included in the Public Account. It is broadly correct to say that none of the monies lying in the Public Account belong to Government. They have to be paid back at sometime or the other to the public as in the case of State Provident Funds, Postal Savings Bank, Postal Cash Certificates, Life Insurance Funds, etc. or to be utilised by Government in an agreed manner as in the case of *ad hoc* funds set up for special purposes. It may be mentioned, to complete the picture, that the approval of Parliament is necessary to

any appropriation from revenue to create a fund and, unless the monies thus funded are made over to corporate bodies with separate legal status of their own, similar approval is required for incurring subsequent expenditure from such funds. When an amount is transferred to any such fund, it is shown as expenditure in the estimates of the year in which the transfer is made. Expenditure met from these funds is similarly shown in the estimates of the year in which it is incurred but an equivalent amount is transferred from the fund to meet this expenditure. Parliamentary control is thus secured on both the creation of such funds and the utilisation of the monies in them.

PART II

The question of simplifying the existing accounting structure which has remained more or less unchanged ever since it was drawn up at the introduction of provincial autonomy in 1937 and which does not take into account the subsequent constitutional changes and the shift in the tempo of Government developmental expenditures has been under consideration for some time. The matter was reviewed during the year in consultation with the Comptroller and Auditor General and it has been decided to recast the accounts and phase the change over a period of two years. The changes introduced with effect from the 1st April, 1961, are explained below:—

(i) Section "Direct Demands on Revenue" includes at present major heads which accommodate expenditure on collection of taxes, duties and other principal sources of Government revenues. Constitutionally there can be no direct demand on revenue. Accordingly, the nomenclature of the section is being changed to "Collection of Taxes, Duties and other Principal Revenues". The nomenclature of the corresponding section on the receipt side would also be changed from "Principal heads of Revenue" to "Taxes, Duties and other Principal Revenues";

(ii) The payment of States' share of Union Excise Duties is at present adjusted as expenditure under the head "2-Union Excise Duties" in the accounts of the Central Government and as receipt under "II-Union Excise Duties" in the States' section of the accounts. This transaction is essentially a transfer of revenue from the Union to the States. It has, accordingly, been decided to adjust these payments and receipts under separate major heads in Section "L—Contributions and Miscellaneous adjustments between Central and State Governments", the nomenclature of which is being changed to "L—Contributions and Miscellaneous Adjustments". For this purpose, the following new major heads have been opened in the accounts of the Central and State Governments:—

States Section (Receipts)—"L-A—States' Share of Union Excise Duties".

Central Section (Payments)—"62-A—Payments of Union Excise Duties".

No change is required in the case of the payment to the States of their share of net proceeds of Estate Duty and Taxes on Income as under Articles 269(2) and 270(2) of the Constitution of India,

such proceeds do not form part of the Consolidated Fund of India and are, accordingly, paid to the States by reduction of revenue without obtaining a vote;

(iii) Certain duties and taxes, such as, Terminal Taxes, Entertainment Taxes, Taxes on Vehicles etc., are collected by the Central and State Governments and their net proceeds are paid to the local bodies. These payments are treated at present as cost of collection of these taxes and adjusted under the major heads concerned in Section "Direct Demands on Revenue". As these transactions also represent transfer of revenue, it has been decided that, like the States' share of Union Excise Duties, these may also be adjusted in the accounts of both Central and State Governments under a new major head "62-B—Other Miscellaneous Contributions and Assignments" in Section "L-Contributions and Miscellaneous Adjustments";

(iv) Excluding statutory grants, the other grants-in-aid by the Central Government to State Governments are at present booked under the major heads of accounts to which the grants relate and are taken as receipts under the relevant heads in the States' Section. This arrangement not only inflates the receipts of the State Governments under the major head concerned but also gives a grossly inflated picture of the total expenditure of the Central and State Governments together in any particular field. At the same time, these grants are not final expenditures but represent merely transfer of resources from the Centre to the States. It has, accordingly, been decided that all grants from Union to the States may be adjusted under the major head "XLIX—Grants-in-aid from Central Government" in the State accounts and as payment under the major head "61—Grants-in-aid to State Governments" in the Central accounts;

(v) The expenditure on labour and employment is at present classified under the major head "47—Miscellaneous Departments" and "57—Miscellaneous". In view of the importance which labour and employment have now assumed, the entire expenditure on labour and employment will, from next year onwards, be booked under a separate new major head "46—Labour and Employment;

(vi) By far the major portion of the expenditure recorded under the group head "Civil Administration" is essentially not on civil administration, but represents social and development services. In order, therefore, to draw a clear distinction between the two categories, the group head is being split up next year into two separate sections, namely, (i) Administrative Services and (ii) Social and Developmental Services. This spliting up has also necessitated a regrouping of the major heads in the existing section "Civil Administration;

(vii) The expenditure on Community Development Projects, National Extension Service and Local Developmental Works is at present recorded in Section "Extraordinary Items". This expenditure, however, has, nowadays, become a regular feature and can no longer be treated as extraordinary. It has, accordingly, been transferred to the new section "Social and Developmental Services";

The re-arrangement of the new items under these two sections is indicated below:—

F.—*Administrative Services.*

25. General Administration.
26. Audit.
27. Administration of Justice.
28. Jails.
29. Police.
29-A. External Affairs.

F.A.—*Social and Developmental Services.*

30. Ports and Pilotage.
30-A. Mercantile Marine.
31. Light Houses and Light-ships.
36. Scientific Departments.
37. Education.
38. Medical.
39. Public Health.
40. Agriculture.
40-A. Rural Development.
41. Animal Husbandry.
42. Co-operation.
43. Industries and Supplies.
44. Aviation.
45. Broadcasting.
46. Labour and Employment.
47. Miscellaneous Departments.
47-A. Community Development Projects, National Extension Service and Local Developmental Works.

(viii) The existing major head "34—Tribal Areas" is a composite head covering both administrative expenditure and expenditure on social and developmental services. With the decision to record the two types of expenditures under two separate sections, it has been decided that the major head "34—Tribal Areas" may be abolished and the expenditure relating thereto exhibited next year under the major heads concerned to which it pertains. This change will mean that the expenditure on Tribal Areas will, in future, be classified in accordance with the procedure followed in the case of Union Territories;

(ix) Except in regard to statutory grants, the provision for other grants to States is at present included subjectwise in the grant to which the expenditure relates. For example, grants for educational purposes form part of the Education grants; likewise, grants for medical and public health purposes are included in the Medical and Public Health grant of the Health Ministry and so on. Thus, the expenditure on grants to States is spread over a large number of heads and is not separately available at one place in the accounts or in the budget. At the same time, under the existing arrangement, it is possible for the provision included for grants to States to be reappropriated for other purposes within the Grants concerned. Keeping in view these considerations and also as a result of the segregation of the expenditure on grants to States in a separate head referred to earlier, it has been decided that provision for all grants to States may be included in a composite demand next year under the control of the Ministry of Finance. In the new demand, the grants will be shown under separate sub-heads according to the subjects to which they relate and portions thereof placed at the disposal of the administrative Ministries concerned. Similarly,

a separate composite demand for grants to States debitable to Capital has been introduced next year.

2. As a result of these extensive changes in accounting, the estimates for the coming year under the various heads show considerable variations. These changes have, therefore, to be taken into account in analysing the variations.

SECTION I

ESTIMATES OF REVENUE AND EXPENDITURE MET FROM REVENUE

SECTION

REVENUE

The budget for 1960-61 assumed a deficit on revenue account of Rs. 33·66 crores. On the basis of the current year's level of taxation the expenditure met from revenue at Rs. 10,23·52 crores leaving a deficit of

The estimated revenue and expenditure by Major Heads of Account of the Central Government. Statement I below gives by broad categories shows how the estimated expenditure for the next year has been

STATEMENT

SUMMARY OF REVENUE

REVENUE

Heads of Revenue	1959-60 Accounts	1960-61 Budget	1960-61 Revised	1961-62 Budget
Customs	1,56,11	1,62,50	1,63,00	1,64,00 +29,27*
Union Excise Duties	3,60,65	3,79,61	3,94,98	4,06,24 +28,60*†
Corporation Tax	1,06,56	1,35,00	1,37,50	1,40,00 +1,00*
Taxes on Income	1,48,85	1,05,00	1,27,50	1,31,00 +2,00*
Estate Duty	2,91	3,00	3,00	3,00
Taxes on Wealth	12,11	7,00	7,50	7,00
Taxes on Railway Fares	12,81	12,77	13,67	..
Expenditure Tax	79	90	90	80
Gift Tax	80	80	80	80
Opium	4,19	5,69	5,82	6,25
Interest	7,99	15,71	14,87	13,84
Administrative Services	85	84	99	97
Social and Developmental Services	48,24	52,35	51,46	47,00
Currency and Mint	52,79	57,22	57,85	60,63
Civil Works etc.	3,22	3,04	3,38	3,75
Other Sources of Revenue	35,95	39,73	38,66	39,28
Posts & Telegraphs (Net contribution)	5,13	47	46	77
Railways—(Net contribution)	5,63	5,64	5,06	21,29
Deduct—Share of Income Tax payable to States	—79,32	—52,06	—86,98	—80,79
Deduct—Share of Estate Duty payable to States	—2,76	—2,90	—2,91	—2,91
Deduct—Share of Taxes on Railway Fares payable to States	—13.07	—12,66	—13,79	..
TOTAL—REVENUE	8,70,43	9,19,65	9,23,72	9,62,92 +60,87*
DEFICIT ON REVENUE ACCOUNT	..	60,70	33,66	..
TOTAL	8,70,43	9,80,35	9,57,38	10,23,79

*Effect of Budget proposals.

†Excludes a sum of Rs. 2.3 crores being the share of Union Excise Duties (Basic and Additional) payable to States which has been taken in reduction of Revenue.

I

BUDGET

Rs. 60·70 crores. It is now expected that this deficit will be reduced to revenue for the coming year is estimated at Rs. 9,62·92 crores and the Rs. 60·60 crores.

have been shown in statements A and B of the annual Financial Statement a summary of the estimated revenue and expenditure. Annexure XIII distributed over various Demands for Grants and Appropriations.

I

AND EXPENDITURE

EXPENDITURE

(In lakhs of Rupees)

Heads of Expenditure	1959-60 Accounts	1960-61 Budget	1960-61 Revised	1961-62 Budget
Collection of Taxes and Duties	1,02,89	1,07,33	1,07,30	30,46
Irrigation	12	17	13	15
Debt Services	69,38	74,59	72,35	81,90
Administrative Services	52,04	60,59	61,53	58,37
Social and Developmental Services	1,73,97	2,07,17	1,98,52	1,73,46
Currency and Mint	9,79	10,27	10,87	11,96
Civil Works etc	15,56	20,32	21,59	21,73
Miscellaneous	1,03,60	1,42,09	1,37,68	64,44
Defence Services (Net)	2,30,86	2,72,26	2,66,72	2,82,92
Contributions and Miscellaneous Adjustments	48,94	51.81	51,87	2,87,26
Extraordinary Items	20,73	33,75	28,82	10,87
TOTAL—EXPENDITURE	8,27,88	9,80,35	9,57,38	10,23,52
SURPLUS ON REVENUE ACCOUNT	42,55	..	..	27*
TOTAL	8,70,43	9,80,35	9,57,38	10,23,79

*Effect of Budget proposals.

The annual financial statement and the summary in Statement I follow the classification in the accounts. While they give a fairly clear picture of the main components of the revenue, they do not indicate in sufficient detail the main purposes of the expenditure. Under the existing principles of classification, some items of expenditure are taken in reduction of revenue, while certain items of receipts are taken in reduction of expenditure. Thus, the shares of Central revenue allocated to the States under Articles 269 and 270 of the Constitution are deducted from revenue, while the payment of the shares of Union excise duties under Art. 272 of the Constitution is shown as expenditure. Recoveries of interest from State Governments and commercial departments are taken in reduction of expenditure while interest from other parties is credited as a revenue receipt. Part of the dividend from the Railways and Posts and Telegraphs is adjusted in reduction of expenditure under "Interest", while part is taken as a revenue receipt. As the classification in the accounts follows administrative control, the provision for transfer of net proceeds of certain cesses or taxes to autonomous bodies or Funds are scattered over a number of heads. These features in the accounting system tend to blur somewhat the picture in regard to the total revenue raised during a year and the way in which it is utilised. An attempt is made below to give, for the budget year, after eliminating the above special features, the gross revenue which will be raised by the Central Government and the categories of the expenditure met from this revenue.

STATEMENT II

SUMMARY OF GROSS REVENUE AND EXPENDITURE AS RECLASSIFIED

I.—REVENUE

(In lakhs of Rs.)

		Budget 1961-62
1. Customs		1,64,00
2. Union Excise Duties		4,06,24
3. Corporation Tax		1,40,00
4. Income Tax		1,31,00
5. Estate Duty		3,00
6. Taxes on Wealth		7,00
7. Taxes on Rly. Fares		..
8. Expenditure Tax		80
9. Gift Tax		80
10. Opium		6,25
11. Interest receipts :		
(a) From State Govts.	71,55	
(b) From Central Commercial Deptts.	4,35	
(c) From Other Sources.	13,84	89,74
12. Administrative Services		97
13. Social and Developmental Services		20,40
14. Currency and Mint :		
(a) Reserve Bank Profits	42,50	
(b) Profit on Coinage (including instalment of past profits).	14,40	
(c) Other Receipts	3,73	60,63

			Budget 1961-62
15. Civil Works			3,75
16. Dividend from Railways			65,34
17. Payment by Railways in lieu of Tax on Railway fares.			12,50
18. Dividend from Posts and Telegraphs			5,04
19. Other items :			
(a) Surcharge on Iron and Steel	26,60		
(b) Grant from U.S.A. under P.L. 480	0,00		
(c) Sale proceeds of Evacuee Property	4,50		
(d) Miscellaneous items	24,78		65,88
TOTAL—REVENUE			11,83,34
Deficit on Revenue Account			60,60
TOTAL			12,43,94

II—EXPENDITURE

1. Cost of Tax Collection			21,14
2. Payment of Shares of Taxes to State Govts :			
(a) Union Excises (i) Basic	36,24		
(ii) Additional	40,09		
(b) Income Tax	80,79		
(c) Estate Duty	2,91		
			1,60,03
3. Transfer of taxes, cesses, receipts, etc., to local or autonomous bodies, other parties, funds, or other heads of accounts :			
(a) Transfer of surcharge on iron and steel to the Iron and Steel Equalization Fund	26,60		
(b) Transfer of Grants from U.S.A. under P.L 480 to the Special Development Fund	10,00		
(c) Transfer of sale proceeds, etc. of evacuee property in adjustment of compensation payments to displaced persons met from capital	4,50		
(d) Other items	12,44		53,54
4. Irrigation			15
5. Debt Charges : (a) Payment of Interest	2,13,62		
(b) Appropriation for avoidance of Debt	5,00		2,18,62
6. Administrative Services (General Administration, Audit, Police, etc.)			56,84
7. Developmental and Social Services (Forest, Education Medical, Public Health, Scientific Departments, etc. exclusive of grants and transfers)			86,90
8. Grants : (a) Statutory Grants to States.	44,80		
(b) Other Grants to State Govts.	1,57,18		
(c) Grants to others, *e.g.*, Scientific and Technical Instns., Khadi and Village Industries Commission, etc.	57,91		
			2,59,89

		Budget 1961-62
9. Currency and Mint		11,36
10. Civil Works : (*a*) Maintenance and Repairs	10,06	
(*b*) Transfer to Central Road Fund	4,00	
(*c*) Other Expenditure (including P.W.D. Establishments and Minor Works)	3,34	17,40
11. Defence Services (Net)		2,82,92
12. Miscellaneous Items		75,15
TOTAL—EXPENDITURE		12,43,94

III—DETAILS OF MISCELLANEOUS ITEMS OF REVENUE

(*i*) Land Revenue	58
(*ii*) State Excise Duties	1,85
(*iii*) Stamps	3,32
(*iv*) Forest	3,74
(*v*) Sales Tax	5,32
(*vi*) Betting, Entertainment and other Taxes and Duties	2,58
(*vii*) Other Miscellaneous Items	7,39
TOTAL	24,78

IV—DETAILS OF MISCELLANEOUS ITEMS OF EXPENDITURE

(*i*) Expenditure on Opium	5,41
(*ii*) Agency payments to State Governments.	22
(*iii*) Community Development (excluding Grants)	1,87
(*iv*) Pre-Partition payments	32
(*v*) Pensions inculding privy purses	10,41
(*vi*) Stationery and Printing	3,77
(*vii*) Labour and Employment	2,23
(*viii*) Expenditure in Pondicherry	4,02
(*ix*) Rehabilitation of Displaced Persons (excluding Grants)	1,69
(*x*) Servicing of Dollar Purchase from I.M.F.	1,50
(*xi*) Repayment of Capital expenditure from Revenue.	22,32
(*xii*) Contributions to U.N. Bodies, etc.	3,97
(*xiii*) Other Miscellaneous Items	17,42
TOTAL	75,15

NOTES ON REVENUE ESTIMATES

Customs.—A rough distribution of the Customs revenue expected to be collected during the current year and the next year is given below:

STATEMENT III

SEA CUSTOMS—IMPORTS

(In lakhs of Rs.)

	1959-60 Accounts	1960-61 Budget	1960-61 Revised	1961-62 Budget
I.—*Revenue Duties*				
Ale, beer, porter, cider and other fermented liquors	1	1	1	1
Spirits and liqueurs	1,15	1,35	1,20	90
Wines	6	5	10	8
Spices	99	80	1,00	80
Tobacco	1,81	1,60	1,90	1,90
Kerosene oil	13,66	11,50	9,50	10,30
Motor spirit	2,89	3,30	2,64	2,70
Oils—batching, fuel and lubricating	2,86	12,75	10,00	10,70
Motor cars, cycles, scooters, omnibuses, chassis, vans, lorries and parts thereof	74	95	1,10	1,10
Electric lighting bulbs	12	12	16	16
Wireless reception instruments and apparatus	80	70	1,10	1,10
Coal-tar dyes and coal-tar derivatives	1,34	1,40	2,00	2,20
Machinery	14,61	15,00	16,00	17,00
Iron and steel	8,85	8,05	12,50	11,00
Metals, other than iron and steel, silver and block tin	1,32	1,30	2,00	1,80
Railway plant and rolling stock	4,32	4,00	2,00	2,50
Wood-pulp, paper and stationery	2,73	2,50	3,50	3,00
Artificial silk yarn and thread	8,05	8,00	8,70	8,70
Yarn and other textile fabrics	68	70	50	30
Cinematograph films	76	75	65	50
Pneumatic rubber tyres and tubes	32	30	80	70
Toys, games and sports goods	2	2	5	5
Betelnuts	3,16	3,00	2,50	2,00
All other articles	41,90	42,07	45,00	45,80
TOTAL—Revenue Duties	1,13,15	1,20,22	1,24,91	1,25,30
II.—*Protective Duties*				
Heavy Chemicals	4,30	5,00	2,00	2,00
Iron and steel	5	4	6	6
Metals other than iron and steel	1,09	1,52	2,20	2,20
Raw silk	26	20	30	30
Silk yarn and thread	2	2	4	..
Silk fabrics	2	2	7	..
Artificial silk fabrics	86	..	..	..
Fabrics of artificial silk mixed with other materials	5	7	..	..
Machinery other than Sewing Machines	1,55	1,40	1,40	1,50
Cycles (other than motor cycles) and parts thereof	54	61	90	90
All other articles	13,93	14,52	15,00	15,32
TOTAL—Protective Duties	22,67	23,40	21,97	22,28
TOTAL—IMPORTS	1,35,82	1,43,62	1,46,88	1,47,58

STATEMENT III—*contd.*

SEA CUSTOMS—EXPORTS

(In lakhs of Rs.)

	1959-60 Accounts	1960-61 Budget	1960-61 Revised	1961-62 Budget
Raw Jute	30	40	..	..
Raw Cotton	55	60	30	30
Cotton Waste	73	80	47	47
Manganese	1	..	..	..
Tea	12,29	13,50	12,00	12,00
Other agricultural produce	52	50	50	50
Mica	27	28	28	28
Oils and oil seeds	2	..	..	..
Coffee	8	9	7	7
Coir	6	5	4	4
Lac	6	6	6	6
TOTAL—EXPORTS	14,89	16,28	13,72	13,72
Land Customs	2,75	2,70	2,60	2,60
Air Customs	1,90	1,50	2,10	2,10
Miscellaneous	4,91	1,70	2,70	2,50
TOTAL—GROSS REVENUE	160,27	1,65,80	1,68,00	1,68,50
Deduct—REFUNDS	—4,16	—3,30	—5,00	—4,50
NET REVENUE	1,56,11	1,62,50	1,63,00	1,64,00

The import tariff is cast in the form of a commodity schedule with broad distinctions indicating the treatment to be accorded to various classes of articles. The general rate of import duty is now about 40 per cent. On certain non-essential items where it is felt that the consumer can well pay a higher rate or where there is sufficient indigenous production to meet the needs, higher rates of duty are imposed. Certain items are subject to protective duties while certain others are declared duty free or are subject to lower rates of duty in the interest of indigenous industry or the economy of the country. Some of the items which carry the heaviest rates of duty (ranging from 75 to 200 per cent) are tobacco manufactures, wines and spirits, artificial silk goods, gold plated articles, fabrics containing gold or silver thread, socks and stockings of silk or art silk, boots and shoes, parasols and sunshades, gold and silver thread manufactures, silver thread and wire, motor cars, clocks and watches, etc. Some of the protected goods are automobiles, some chemicals, certain coal tar dyes, matches, silk fabrics, some non-ferrous metals and manufactures, cycles, certain items of machinery and parts, ball bearings, titanium dioxide, power and distribution transformers, for which the duties are fixed at such rates and for such periods as are found necessary having regard to the recommendations of the Tariff Commission. Grains and pulses and certain raw materials for industry are on the free list, while specially low but varying rates of tax cover a large number of essential items like fuel oils, batching oils, lubricants, raw films, machinery, etc.

The effect of export duties on the country's export trade is kept under constant review. There are at present very few commodities which are subjected to export duties; of these tea is the most important.

Against the original estimate of Rs. 162·5 crores, the Customs revenue is now estimated at Rs. 163 crores. The import revenue will go up by Rs. 3·26 crores mainly in respect of iron and steel, machinery, wood-pulp, paper and stationery and artificial silk yarn and thread but this improvement will be partly counter-balanced by a fall of Rs. 2·56 crores under exports due mainly to decline in export duty on tea, raw cotton and cotton waste. At Rs. 164 crores, the revenue from Customs next year assumes a modest increase of Rs. 1 crore over the current year's revised. The revenue from exports has been assumed at the same level as the revised whereas import duties are likely to show a slight net increase; the fall in the duty on iron and steel due to increase in indigenous production being offset by larger revenue from machinery, kerosene oil and other mineral oils, etc.

STATEMENT IV

Union Excise Duties.—Following are the details of revenue from Union Excise Duties:—

(In lakhs of Rs.)

	1959-60* Accounts	1960-61 Budget	1960-61 Revised	1961-62 Budget
Basic Duties				
Motor Spirit	35,40	38,75	38,75	39,10
Kerosene	6,81	6,35	7,65	8,50
Sugar	50,00	46,40	45,40	46,20
Matches	17,96	18,00	17,80	18,00
Steel Ingots	10,34	12,00	12,20	12,50
Tyres & Tubes	10,44	10,56	12,50	13,50
Tobacco	50,89	43,74	48,10	49,35
Vegetable Product	5,49	5,25	5,00	5,25
Coffee	1,46	1,35	1,35	1,35
Tea	7,74	7,65	7,65	7,65
Cotton Cloth	46,75	43,68	37,85	38,00
Artificial Silk	2,07	1,88	1,89	1,90
Cement	16,76	17,50	17,50	17,50
Footwear	1,16	1,35	1,50	1,60
Soap	2,10	2,05	2,05	2,10
Woollen Fabrics	75	62	62	62
Electric Fans	72	78	1,10	1,10
Electric Bulbs	40	48	70	70
Electric Batteries	1,16	1,54	1,70	1,70
Paper	7,97	7,92	8,25	8,80
Paints and Varnishes	1,37	1,30	1,40	1,40
Vegetable non-essential Oils	13,35	13,09	12,25	12,50
Refined Diesel Oils and Vaporizing Oils	24,50	29,04	38,00	40,00
Industrial Fuel Oils	11,91	8,00	9,50	10,50
Rayon and Synthetic fibres and yarn	2,02	2,30	2,70	2,70
Motor vehicles	63	6,27	9,50	10,00
Asphalt and Bitumen	—	3,00	3,00	3,00
Aluminium	9	73	1,10	1,10
Tin Plate	—	2,08	1,20	1,20
Pig Iron	8	60	1,00	1,00
Silk Fabrics	6	30	5	5
Cycles and parts thereof	6	99	1,25	1,25
Internal Combustion Engines	4	1,06	1,35	1,35
Electric Motors	4	44	75	75
Cinematograph Films	3	75	75	75
Salt Cess	—	85	82	79
Coal Cess	3,16	3,75	3,75	5,43
Cess on Copra	10	10	10	10
Cess on oils and oil-seeds	54	30	25	25
Miscellaneous	4,72	51	51	51
TOTAL—GROSS REVENUE	3,39,07	3,43,31	3,58,79	3,70,05
Deduct—REFUNDS AND DRAWBACKS	—6,74	—4,50	—4,50	—4,50
TOTAL—NET REVENUE	3,32,33	3,38,81	3,54,29	3,65,55
Additional Duties				
Sugar	8,25	12,90	12,90	12,90
Textiles	14,89	21,00	19,96	19,96
Tobacco	5,18	7,30	7,83	7,83
TOTAL	28,32	41,20	40,69	40,69
GRAND TOTAL—UNION EXCISE DUTIES	3,60,65	3,80,01	3,94,98	4,06,24

* The accounts figures have yet to be reconciled.

Excluding additional excise duties, the revenue from basic Union Excises is now estimated at Rs. 354·29 crores showing an increase of Rs. 15·48 crores over the original estimate. Excepting sugar and cotton textiles, the revenue under most of the items notably tyres and tubes, tobacco, paper, refined diesel oils and industrial fuel oils and motor vehicles has been buoyant and reflects the progressive increase in indigenous production. The decrease under sugar is due to the rebate of 50 per cent. on excess production and a concession of 31 nP. per maund on sugar-cane crushed in the current season granted during the year. The duty on cotton textile is likely to fall by about Rs. 5·83 crores due largely to a shift in the preference for medium priced cloth and fall in clearances.

The basic excise duties next year are expected to yield Rs. 365·55 crores, an increase of Rs. 11·26 crores over the current year's Revised. The excess is distributed under almost all the items and reflects further improvement in indigenous production. A part of the increase is also due to surrender with effect from 15th November, 1960, of the protection on duty enjoyed by Messrs. Standard Vacuum Refining Company.

The above estimates also include

(a) Rs. 6·07 crores in both the years from the special cess 1·9 n.P. per square metre on the mill-made cloth for the benefit of handloom and khadi industries;

(b) Rs. 3·75 crores this year and Rs. 5·43 crores next year from the Coal Mines Labour Welfare Cess and the Coal Mines Safety and Conservation Cess. The increase next year takes into account the increase in the Coal Cess with effect from 1st January 1961 from 36·9 nP. to 49·21 nP. per metric tonne;

(c) Rs. 10 lakhs in both the years on account of cess on copra and Rs. 25 lakhs in both the years from cess on oils and oilseeds for payment to the Indian Central Coconut Committee and the Indian Central Oilseeds Committee respectively; and

(d) Rs. 82 lakhs this year and Rs. 79 lakhs next year on account of cess on salt.

25 per cent. of the net proceeds of the basic excise duties on matches, tobacco, sugar, vegetable product, coffee, tea, paper and vegetable non-essential oils are distributed amongst the States under the provisions of the Union Duties of Excise (Distribution) Act, 1957 in the percentages indicated below:—

State	*Per cent.*
Andhra Pradesh	9·33
Assam	3·46
Bihar	10·57
Gujarat	4·10
Kerala	3·84
Madhya Pradesh	7·46
Madras	7·61
Maharashtra	8·07
Mysore	6·52
Orissa	4·46
Punjab	4·59
Rajasthan	4·71
Uttar Pradesh	15·94
West Bengal	7·59
Jammu and Kashmir	1·75
	100·00

In the current year, the amount payable to the States on this account is now estimated at Rs. 36·75 crores as compared to the original estimate of Rs. 34·87 crores. This includes Rs. 1·36 crores in respect of arrears from previous years. The payment to the States next year has been estimated at Rs. 36·24 crores. These payments are provided for on the expenditure side. The share of the States has been worked out as follows:—

(In lakhs of Rs.)

	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
Total gross collections of divisible commodities .	1,43,40	1,45,80	1,49,10
Deduct—Refunds	—1,51	—1,23	—1,23
Deduct—Cost of collection	—2,43	—3,03	—2,90
Net proceeds of divisible commodities . .	1,39,46	1,41,54	1,44,97
Amount payable to States (25%)	34,87	35,39	36,24
Adjustment on account of short payment in respect of previous years . .	..	+1,36	..
	34,87	36,75	36,24

The amount payable to each State has been shown in Statement V.

Additional Duties of Excise.—The Additional Duties of Excise (Goods of Special Importance) Act, 1957, provides for the levy and collection of additional duties on sugar, tobacco, cotton fabrics, rayon or artificial silk fabrics and woollen fabrics produced or manufactured in India. These duties are in addition to the duties payable under the Central Excises and Salt Act, 1944 or any other law for the time being in force and replace, by agreement with the State Governments, the sales tax levied by them on these commodities

The collections of these additional duties are now estimated at Rs. 40·69 crores this year as well as next year against the original estimate of Rs. 41·20 crores. The net proceeds of these duties, after taking into account the cost of collection, are distributed amongst the States in accordance with the provisions of Section 4 of the Act referred to above read with the Second Schedule thereto. The amount payable to the States during the current year after adjusting the over payment of Rs. 1·69 crores last year, would be Rs. 38·35 crores. Next year's payment is estimated at Rs. 40·09 crores. The amount payable to each State has been shown in Statement V.

Taxes on Income including Corporation Tax.—Broad details of revenue are:

(In lakhs of Rs.)

	1959-60 Accounts	1960-61 Budget	1960-61 Revised	1961-62 Budget
Corporation Tax—				
Ordinary Collections . . .	1,06,68	1,34,20	1,36,85	1,39,35
Excess Profits Tax . . .	(—)6	70	60	60
Business Profits Tax . . .	(—)6	10	5	5
TOTAL .	1,06,56	1,35,00	1,37,50	1,40,00

Taxes on Income other than Corporation Tax—

(In lakhs of Rs.)

	1959-60 Accounts	1960 61 Budget	1960 61 Revised	1961-62 Budget
Ordinary Collections	1,35,40	98,95	1,17,35	1,20,85
Surcharge (Central)	8,18	4,50	7,50	7,50
Surcharge (Special)	1,83	1,50	2,50	2,50
Excess Profits Tax	3,40	5	10	10
Business Profits Tax	4	..	5	5
TOTAL	1,48,85	1,05,00	1,27,50	1,31,00
GRAND TOTAL—CORPORATION TAX AND TAXES ON INCOME	2,55,41	2,40,00	2,65,00	2,71,00

The revenue from Corporation Tax and Taxes on Income this year is ely to exceed the original estimate by Rs. 2·5 crores and Rs. 22·5 crores spectively. The increase is mainly due to completion of larger number o assessments of earlier years and better receipts than originally anti- c pated notably in respect of dividends and interest on securities A part of the increase under Income-tax is also due to the fact that the shift from Income-tax to Corporation Tax as a result of changes in the company tax structure brought about in the current year has not materialised to the extent originally anticipated.

Budget next year assumes an increase of Rs. 6 crores over the current year's Revised under both the heads.

While the Corporation Tax accrues in its entirety to the Centre, the net proceeds of income-tax, except the tax attributable to Central emoluments and Union territories and Central surcharges, if any, are divisible between the Centre and the States. The Constitution (Distribution of Revenues) No. 2 Order, 1957, provides that sixty per cent. of the net proceeds of taxes on income, exclusive of the proceeds attributable to Union Territories or the taxes payable in respect of Union emoluments, shall be assigned to the States and distributed amongst them as follows:—

State	*Per cent*
Andhra Pradesh	8·08
Assam	2·44
Bihar	9·94
Gujarat	5·38
Kerala	3·64
Madhya Pradesh	6·72
Madras	8·44
Maharastra	10·59
Mysore	5·14
Orissa	3·73
Punjab	4·24
Rajasthan	4·09
Uttar Pradesh	16·36
West Bengal	10·08
Jammu and Kashmir	1·13
	100·00

The current year's Budget provided for payment to States of a sum of Rs. 52·06 crores as their share of the net proceeds of divisible taxes on

income. The amount payable to them is now estimated at Rs. 86·98 crores, showing an increase of Rs. 34·92 crores. Of this, Rs. 13·24 crores are on account of arrears payable for the previous years. The balance of the increase is due to better collections and larger adjustment of advance payments recovered under Section 18A and also less shift of Income-tax to Corporation Tax as mentioned earlier. The States' share of Income-tax next year is estimated at Rs. 80·79 crores. The detailed calculations are given below:

(In lakhs of Rs.)

	1960-61 Budget	1960-61 Revised	1961-62 Budget
Total taxes on income other than Corporation Tax excluding Central surcharge, Miscellaneous receipts and Advance payments	84,50	1,31,15	1,26,1
Deduct—Portion attributable to Central emoluments	—4,35	—3,85	—3,8
Deduct—Cost of collection	—2,33	—3,16	—3,13
Net .	77,82	1,24,14	1,19,17
Portion attributable to Union Territories (1%) .	—78	—1,24	—1,19
TOTAL—DIVISIBLE POOL .	77,04	1,22,90	1,17,98
Amount payable to States (60%)	46,22	73,74	70,79
Adjustment on account of short-payments in respect of previous years	(+)5,84	(+)13,24	(+)10,00
Amount payable to States	52,06	86,98	80,79

In pursuance of the decision taken last year that the State Governments would continue to receive as their share of Income-tax approximately the same amount which they would have received but for the changes in the company tax structure, a provision was made in the budget for the payment of an *ad hoc* grant to the States of Rs. 31·58 crores. As a result of increase in the States' share of income-tax payable this year, the loss to the States would stand reduced by Rs. 7·43 crores. Accordingly the expenditure estimates provide for payment of a grant of Rs. 24·15 crores. The payment next year on this account is estimated at Rs. 26·91 crores.

The amounts payable to States as their share of Income-tax and as grant have been shown in Statement V.

Estate Duty.—The entire net proceeds of Estate Duty on agricultural land are assigned to the States in which it is collected. In respect of the duty on property other than agricultural land, the Estate Duty and Tax on Railway Passenger Fares (Distribution) Act, 1957 provides that the net proceeds collected during a year after deducting a sum equal to one per cent as being attributable to Union Territories, be distributed amongst the States as under:

(a) The amount attributable to immovable property shall be distributed amongst the States in proportion to the gross value of the immovable property situated in those States.

(b) The balance shall be distributed amongst the States as under:

State	*Per cent.*
Andhra Pradesh	8·72
Assam	2·53
Bihar	10·86
Gujarat	4·55
Kerala	3·79
Madhya Pradesh	7·30
Madras	8·44
Maharashtra	8·97
Mysore	5·43
Orissa	4·10
Punjab	4·52
Rajasthan	4·47
Uttar Pradesh	17·71
West Bengal	7·37
Jammu and Kashmir	1·24
	100·00

The estimates of collections from Estate Duty in the revised and next year remain unchanged at Rs. 3 crores each year. The States' share would amount to Rs. 2·91 crores each in both the years. The share of the States has been worked out as under:

(Rs. in thousands)

	1960-61 Budget	1960-61 Revised	1961-62 Budget
Agricultural land—			
Total gross collections	18,03	19,35	20,06
Deduct—Cost of collection	—39	—41	—43
Deduct—Net proceeds in respect of Union territories	—7	—5	—5
Net amount to be distributed amongst States	17,57	18,89	19,58
Property other than Agricultural land—			
Total gross collections	2,81,97	2,80,65	2,79,94
Deduct—Cost of collection	—6,35	—5,80	—5,90
Net proceeds	2,75,62	2,74,85	2,74,04
Less—Portion attributable to Union territories (1%)	—2,76	—2,75	—2,74
Net proceeds to be distributed amongst States	2,72,86	2,72,10	2,71,30

The amount payable to each State has been shown in Statement V.

Taxes on Wealth.—The Wealth Tax Act, 1957, provides for the levy of a tax on the net wealth of every individual, Hindu undivided family and company at the rates specified below:

	w.e.f. 1.4.57	w.e.f. 1-4-59
(*a*) *Individuals*—		
(*i*) On the first Rs. 2 lakhs of net wealth	Nil	Nil
(*ii*) On the next Rs. 10 lakhs of net wealth	½%	1%
(*iii*) On the next Rs. 10 lakhs of net wealth	1%	1½%
(*iv*) On the balance of net wealth	1½%	2%
(*b*) *Hindu undivided family* :—		
(*i*) On the first Rs. 4 lakhs of net wealth	Nil	Nil
(*ii*) On the next Rs. 9 lakhs of net wealth	½%	1%
(*iii*) On the next Rs. 10 lakhs of net wealth	1%	1½%
(*iv*) On the balance of net wealth	1½%	2%
(*c*) *Company*—		
(*i*) On the first Rs. 5 lakhs of net wealth	Nil	Nil
(*ii*) On the balance of net wealth	½%	½%

From 1960-61, Wealth Tax on Companies has been withdrawn.

As compared with the budget of Rs. 7 crores, the receipts are now estimated at Rs. 7·5 crores this year and Rs. 7 crores next year.

Taxes on Railway Passenger Fares.—The Railway Passenger Fares Act, 1957, provides for the levy of a tax on railway fares paid by passengers at the following rates:

Description of Traffic	Rate of tax
1. Passengers travelling by railway on season tickets	Nil.
2. Passengers travelling by railway for distances upto 25 kilometres (inclusive)	Nil.
3. Passengers travelling by railway for distances from 26 kilometres to 49 kilometres (inclusive)	5% of fare.
4. Passengers travelling by railway for distances from 50 kilometres to 805 kilometres (inclusive)	15% of fare.
5. Passengers travelling by railway for distances over 805 kilometres	10% of fare.
6. Passengers travelling on rail travel coupons	12½% of the cost of the coupons.

Under the Estate Duty and Tax on Railway Passenger Fares (Distribution) Act, 1957, the net proceeds in any financial year, of the tax on railway passenger fares, after deducting a sum equal to ¼ per cent of the said proceeds as being attributable to Union territories, are to be distributed amongst the States as follows:—

State	*Per cent.*
Andhra Pradesh	8·81
Assam	2·71
Bihar	9·39
Gujarat	5·48
Kerala	1·81
Madhya Pradesh	8·31
Madras	6·51
Maharashtra	10·80
Mysore	4·45
Orissa	1·78
Punjab	8·11
Rajasthan	6·77
Uttar Pradesh	18·76
West Bengal	6·31
	100·00

The revenue this year is now estimated at Rs. 13·67 crores against the original budget of Rs. 12·77 crores. After adjustment on account of short payment of Rs. 25 lakhs made in the previous year, the amount payable to the States this year will be Rs. 13·79 crores as detailed below:

(In lakhs of Rs.)

	1960-61 Budget	1960-61 Revised	1961-62 Budget
Total—Gross collections	12,77	13,67	..
Deduct—Cost of collection	—8	—10	..
	12,69	13,57	...
Deduct—Portion attributable to Union territories (1/4%)	—3	—3	..
Net amount payable to States	12,66	13,54	..
Adjustment on account of short payment in respect of previous years	..	+25	..
TOTAL	12,66	13,79	..

As recommended by the Railway Convention Committee, 1960, the Tax on Railway Fares is proposed to be abolished with effect from 1st April, 1961, and merged with the basic fares. The Railways will be paying to the General Revenues a contribution of Rs. 12·5 crores for the next five years, which represents the average of the actual collections through this source for the two years 1958-59 and 1959-60. The amount is proposed to be distributed amongst the States in accordance with the recommendations of the Third Finance Commission, for which a reference has been made to them. Provisional distribution will be made on the existing basis subject to re-adjustment in the light of Finance Commission's recommendations. Accordingly revenue estimates do not assume any credit on account of Tax on Railway Fares next year, the amount payable by Railways being included in the Contribution from Railways explained later.

The amount payable to each State has been shown in Statement V.

Expenditure Tax.—The Expenditure Tax Act, 1957, as amended by the Finance Act, 1959, provides for levy of expenditure-tax at the rates indicated below on the taxable expenditure incurred by assessees (Individuals and Hindu undivided families) and their dependants in the previous year, provided the net aggregate income of the assessee and his dependants after deduction of the other taxes payable on that income, exceeds Rs. 36,000.

In the case of every Individual and Hindu undivided family, on that portion of the taxable expenditure

(*i*) which does not exceed Rs. 10,000	10%
(*ii*) which exceeds Rs. 10,000 but does not exceed Rs. 20,000	20%
(*iii*) which exceeds Rs. 20,000 but does not exceed Rs. 30,000	40%
(*iv*) which exceeds Rs. 30,000 but does not exceed Rs. 40,000	60%
(*v*) which exceeds Rs. 40,000 but does not exceed Rs. 50,000	80%
(*vi*) which exceeds Rs. 50,000	100%

Revised repeats the original Budget of Rs. 90 lakhs through this source. Budget next year has been assumed at Rs. 80 lakhs.

Gift Tax.—The Gift Tax Act, 1958, provides for the imposition for every financial year beginning on and from the 1st April 1958, of a tax on gifts made during the previous year at the rates specified below:—

	Rate of gift tax.
(1) On the first Rs. 50,000 of the value of all taxable gifts	4%
(2) On the next Rs. 50,000 of the value of all taxable gifts	6%
(3) On the next Rs. 50,000 of the value of all taxable gifts	8%
(4) On the next Rs. 50,000 of the value of all taxable gifts	10%
(5) On the next Rs. 1,00,000 of the value of all taxable gifts	12%
(6) On the next Rs. 2,00,000 of the value of all taxable gifts	15%
(7) On the next Rs. 5,00,000 of the value of all taxable gifts	20%
On the next Rs. 10,00,000 of the value of all taxable gifts	25%
(9) On the next Rs. 10,00,000 of the value of all taxable gifts	30%
(10) On the next Rs. 20,00,000 of the value of all taxable gifts	35%
(11) On the balance of the value of all taxable gifts	40%

The original estimate of Rs. 80 lakhs has been repeated both for the Revised this year and for the Budget next year.

Opium.—The details of opium revenue are as follows:

(In lakhs of Rs.)

	1959-60 Accounts	1960-61 Budget	1960-61 Revised	1961-62 Budget
Sale in India—				
Sale of raw opium to State Governments	3·16	2·00	3·00	3.00
Sale of medical opium	3·71	3·30	4·00	4·00
Sale of alkaloids of opium	18.21	20·15	31·65	31·65
Sale to countries outside India—				
Sale of raw opium	392·77	5,41·75	541·84	584·01
Sale of alkaloids of opium	..	1·00	0·54	1·60
Miscellaneous	1·35	0·84	1·01	0·76
TOTAL	4,19·20	5,69·04	5,82·04	6,25·02
Deduct—Refunds	—0·01	—0·04	—·04	—·02
Net Revenue	4,19·19	5,69·00	5.82·00	6,25·00

Larger demand for alkaloids this year and next year and export of raw opium next year account for the increase.

Interest Receipts.—The estimates are as follows:—

1960-61 Budget	1960-61 Revised	1961-62 Budget
15,71	14,87	13,84

The receipts under this head are mostly on account of loans and advances made by the Central Government to Government servants, local bodies and private concerns including State-owned companies and statutory undertakings like the Industrial Finance Corporation, Fertiliser

Corporation of India Ltd. etc. The recoveries of interest on loans advanced to State Governments and Capital invested in Government commercial departments, *e.g.* Railways, P. & T. etc., are adjusted in reduction of expenditure under "Interest".

On latest trends, the interest receipts this year are now estimated at Rs. 14·87 crores against the original estimate of Rs. 15·71 crores. The shortfall of Rs. 84 lakhs is mainly due to the postponement of interest recovery amounting to Rs. 2·77 crores from the Tata Iron & Steel Company and the Indian Iron & Steel Company which is awaiting the fixation of the retention price of steel on the advice of the Tariff Commission. But this shortfall will be partly counter-balanced by increased recovery of Rs. 41 lakhs from Khadi and Village Industries Commission which is met by payment of a corresponding subsidy for which provision is included in the expenditure estimates, larger recovery of Rs. 57 lakhs on account of interest on the investment of surplus cash balances of the India Supply Mission, Washington, and arrear adjustment of Rs. 50 lakhs from the Rehabilitation Finance Administration.

The budget next year assumes interest estimates at Rs. 13·84 crores showing a further shortfall of Rs. 1·03 crores over the current year's Revised. This is chiefly attributable to the absence of arrear recovery from Khadi and Village Industries Commission effected in the current year.

Administrative Services.—Details by major heads of account are given below:—

(In lakhs of Rs.

	1960-61 Budget	1960-61 Revised	1961-62 Budget
Administration of Justice	22	24	24
Jails	1	1	1
Police	61	74	72
	84	99	97

The increase in the revised is mainly due to larger recovery on account of services rendered by the Police to Delhi Municipal Corporation, Posts and Telegraphs Department and the Railways.

Social and Developmental Services.—Details by major heads of account are as follows:—

(In lakhs of Rs.)

	1960-61 Budget	1960-61 Revised	1961-62 Budget
Ports and Pilotage	32	33	33
Mercantile Marine	8	8	8
Light Houses and Light Ships	74	80	81
Education	41	56	41
Medical	51	57	54
Public Health	13	40	14
Agriculture	98	1,43	1,65
Animal Husbandry	21	25	25
Cooperation	5	1	5
Industries and Supplies	41,56	38,72	34,66
Aviation	1,02	1,14	1,08
Broadcasting	2,77	2,96	3,15
Miscellaneous Departments	3,57	4,21	3,83
Community Development Projects, National Extension Service and Local Development Works	..	..	2
TOTAL	52,35	51,46	47,00

The group head shows a shortfall this year of Rs. 89 lakhs which is composed of variations under a number of heads. Following the increase of Rs. 45 per ton in the retention price of steel allowed from 1-4-1960 and a decrease in the estimated target of production, the surcharge on iron and steel under the major head "Industries and Supplies", which is transferred to the Steel Equalization Fund under the provisions of the Iron and Steel Control Order, 1941, is now estimated to go down by Rs. 2·1 crores. The transfer of Rs. 2 crores by the State Trading Corporation on account of profit on cement transactions is not likely to materialise as a result of increase in the ex-works price of cement following the Wage Board Levy and extra expenditure on coastal movement of cement to deficit areas. But these shortfalls will be partly offset by larger receipts notably under Agriculture, Miscellaneous Departments, Overseas Communications Service and arrear recovery of dividend from Sindri Fertilisers.

The collections under the group head next year show a decline of Rs. 4·46 crores. This is mainly due to a further shortfall in the surcharge on iron and steel following the increase in the retention price of steel referred to earlier and absence of the recovery of arrear dividend from Sindri Fertilisers.

Currency and Mint.—The main items that comprise Currency and Mint receipts are:—

(In lakhs of Rs.)

	1960-61 Budget	1960-61 Revised	1961-62 Budget
Currency :			
1. Surplus profits of the Reserve Bank	40,00	40,00	42,50
2. Value of one rupee note forms	1,01	1,28	1,33
3. Value of unclaimed currency notes, etc.	2	2	3
4. Other receipts from the Currency Note Press	1,20	1,72	2,18
Total	42,23	43,02	46,04
Mint :			
1. Transfer of a part of the profits outstanding under the suspense head "Profits on coinage"	10,00	10,00	10,00
2. Profits from current circulation of small coins	4,65	4,65	4,40
3. Miscellaneous Mint receipts	34	18	19
Total	14,99	14,83	14,59
GRAND TOTAL	57,22	57,85	60,63

Surplus profits of the Reserve Bank transferable to Government will be Rs. 40 crores this year and Rs 42·5 crores next year. The increase under other items of currency is due to larger demands for notes from the Reserve Bank of India with the consequential increase in the receipts of the Currency Note Press.

Prior to 1956-57 the transactions relating to the coinage operations did not pass through the Consolidated Fund of India. The net profit on coins put into circulation during the year, representing the difference between the face value and the cost of their metallic contents, was transferred to a

suspense head "Profits from circulation of nickel, bronze and copper coins" out of which a stabilised sum of Rs. 45 lakhs plus the actual mint expenditure during the year was taken to Revenue. The net profits on quarternary rupee coins when put into circulation were likewise credited to the suspense head "Purchase and Sale of Silver".

The accounting procedure was changed with effect from 1st April 1956 in consultation with the Comptroller and Auditor General. The expenditure on purchase and acquisition of metal for coinage is now charged to Capital and when the coins are put into circulation, the difference between their face value and the cost of their metallic contents is taken as Mint receipts. Similarly, the difference between the face value and the metallic contents of the coins returned as unfit for re-issue and melted is treated as a loss and directly debited to the Revenue Budget.

The balance under the two suspense heads referred to above was transferred to a new suspense head "Profits on Coinage" and amounted at the end of 1958-59 to about Rs. 67½ crores. Of this Rs. 10 crores were transferred to Revenue in 1959-60 and another Rs. 10 crores in 1960-61. As was originally intended, this credit balance is to be utilized as a Deficit Neutralisation Reserve. Accordingly, credit has been assumed in the Budget next year for transfer of another sum of Rs. 10 crores to Revenue.

Profits from small coins put into circulation next year show a small decline of Rs. 25 lakhs due mainly to increase in the cost of metal.

Delay in the commissioning of Silver Refinery Project accounts for the fall in miscellaneous mint receipts in both the years.

Civil Works.—The receipts under this head are now estimated at Rs. 3·38 crores this year and Rs. 3·75 crores next year against the original budget of Rs. 3·04 crores. The increase is mainly due to larger recovery of rents etc. from Government property.

Other Sources of Revenue.—Details of receipts by major heads are:

	1960-61 Budget	1960-61 Revised	1961-62 Budget
Land Revenue	57	57	58
State Excise Duties	1,69	1,88	1,85
Stamps	3,32	3,36	3,32
Forest	3,15	3,41	3,74
Registration	12	11	12
Taxes on Vehicles	46	52	55
Sales Tax	3,84	4,97	5,32
Other Taxes and Duties	2,01	3,71	2,58
Receipts in aid of superannuation	70	1,12	60
Stationery and Printing	50	65	65
Miscellaneous	13,13	13,16	9,75
Receipts from Road Transport Schemes (net)	17	12	16
Miscellaneous adjustments between the Union and States	6	6	6
Extraordinary Receipts	10,00	5,00	10,00
Community Development Projects etc.	1	2	..
	39,73	38,66	39,28

The increase under Forest is mainly due to better prices of timber and other forest produce.

Sales Tax receipts are likely to go up to Rs. 4·97 crores this year and Rs. 5·32 crores next year as compared to the original budget of Rs. 3·84 crores as a result of progressive increase in collections through this source.

Of the increase of Rs. 1·7 crores under "Other Taxes and Duties" this year, Rs. 1·48 crores are on account of arrear adjustment of Terminal Tax at Delhi. The Terminal Tax is collected by the Delhi Municipal Corporation and the net proceeds are made over to the Corporation and other Local Bodies in accordance with the provisions of the Delhi Municipal Corporation Act. The absence of this arrear adjustment accounts for the shortfall next year.

Receipts in aid of superannuation show an increase of Rs. 42 lakhs this year due mainly to larger recovery from Burma on account of its pensionary liability for pre-1937 pensions and from Government of United Kingdom in payment of awards to Indian Seamen.

Stationery and Printing.—The growing demand for printing and stationery stores from paying departments accounts for the increase under this head in both the years.

Miscellaneous.—The shortfall of Rs. 3·41 crores next year under this head is mainly due to absence of transfer of profits amounting to Rs. 2·02 crores on account of three State Trading Schemes of (i) purchase of woollen goods; (ii) acquisition of frustrated cargo; and (iii) sale of imported sugar adjusted in the current year. No recovery from U.N. in respect of Indian contingent at Gaza for which current year's estimates include Rs. 90 lakhs is anticipated next year whereas sale proceeds of evacuee property etc. including the transfer of custodian's balances are likely to be Rs. 50 lakhs less.

Extraordinary Receipts.—The current year's budget included a provision of Rs. 10 crores as grant from U.S. Government under the P. L. 480 Programme. The grant now likely to be received this year is Rs. 5 crores. Budget next year assumes a credit of Rs. 10 crores on this account.

Posts and Telegraphs.—Prior to 1960-61, the surplus of the P. & T. Department after payment of interest on the capital at charge, was merged with the General Revenues. A part of the surplus was treated as an outright contribution to General Revenues and the balance retained *proforma* by the Department on which abatement of interest was allowed. As these arrangements did not allow sufficient scope to the Department for utilizing its surplus earnings to meet its growing needs, it was decided that with effect from 1st April, 1960, the Posts and Telegraphs Department may be placed in the same position as the Railways. Accrodingly the Department now pays, like the Railways, a dividend to the General Revenues, at the rate in force from time to time for the Railways, on the mean capital at charge during the year. The balance of the surplus after payment of the dividend is retained by the Department for strengthening its reserves, particularly, Renewals Reserve. The Posts and Telegraphs Department has relinquished its claim for any part of its share of the accumulated surpluses of the past but in calculating the dividend payable to General Revenues, the amount of the capital at charge is, as a standing arrangement, reduced by the amount of the accumulated surplus. The revised arrangement will be subject to review after five years.

Statement VI gives the financial results of the working of the Posts and Telegraphs Department. Briefly the position is as under:—

(In lakhs of Rs.)

	1960-61 Budget	1960-61 Revised	1961-62 Budget
Gross Receipts	75,40	76,90	81,00
Working Expenses	66,56	65,58	69,43
Surplus	8,84	11,32	11,57

The increase in gross receipts this year is mainly due to increase in telephone rentals and call fees. Further increase in telephone rentals and call fees and larger sale of stamps explain the improvement next year.

The saving in the working expenses this year is due to less expenditure on maintenance than anticipated. Besides normal growth, the increase next year is attributable to the expected increase in the pay and allowances of extra departmental employees and revised rules of allocation between capital and revenue. The above surplus is to be utilised as follows:

(In lakhs of Rs.)

	1960-61 Budget	1960-61 Revised	1961-62 Budget
Payment of dividend to General Revenues	4,47	4,25	5,04
Appropriation to Renewals Reserve Fund	4,35	7,05	6,53
Appropriation to Posts and Telegraphs Development Fund	1	1	..
Appropriation to Posts and Telegraphs Revenue Reserve Fund	1	1	..
	8,84	11,32	11,57

The increase in the dividend payable next year is partly due to increase in the mean capital at charge and partly to the increase in the rate from 4 per cent. to 4¼ per cent. as recommended by the Railway Convention Committee, 1960.

The increase in the surplus for the current year explains the increase in the appropriation to the Renewals Reserve Fund. This appropriation will go down next year by Rs. 52 lakhs as a result of larger payment of dividend to General Revenues.

Of the total dividend payable by the Posts and Telegraphs Department, Rs. 3·79 crores this year and Rs. 4·27 crores next year will be adjusted as in reduction of interest charges and the balance of Rs. 46 lakhs this year and Rs. 77 lakhs next year as contribution to General Revenues. The increase in interest charges is attributable to the increase in mean capital at charge and the upward revision of the average rate of interest chargeable to Commercial Departments from 3·57 per cent. in the current year to 3·6 per cent. next year.

Railways.—Until 1954-55, Railways used to pay to General Revenues a consolidated dividend of 4 per cent. on the capital at charge on Railways, other than on unremunerative strategic lines. The Railway Convention

Resolution, 1954, provided for the continuance of this arrangement upto 1959-60, subject to the following modifications:—

(a) On the element of over-capitalisation in the railway capital structure, which had been estimated at Rs. 100 crores approximately, only interest at the rates chargeable to commercial departments, was to be payable, and

(b) On capital expended on new lines, a moratorium was allowed during the period of construction and five years thereafter; but from the sixth year after the opening of the lines to the traffic, the normal dividend of 4 per cent. was payable, and, in addition, deferred interest was recoverable for the period of the moratorium at the rate chargeable to commercial departments from the net earnings on the lines.

As a result of the Resolution passed by the Parliament in April and May 1959, these arrangements were extended by another year *i.e.* upto 31st March, 1961.

These arrangements were recently reviewed by the Railway Convention Committee, 1960. Subject to the following modifications, the Committee recommended the continuance of the existing arrangements. The Committee's recommendations were accepted by the Parliament:

(1) With effect from 1st April, 1961, the rate of dividend payable by the Railways to the General Revenues has been increased from 4 per cent. to 4·25 per cent. per annum.

(2) At present no dividend is payable in respect of capital at charge on strategic lines but the Railways bear the losses suffered thereon. It has been decided that with effect from 1st April next year, the annual loss on the working of the strategic lines should be borne by the General Revenues.

(3) Till such time as the North-East Frontier Railway becomes productive or the next Convention Committee reviews the position, whichever is earlier, the rate of dividend payable on the capital-at-charge of this Railway, other than the strategic portion thereof on which no dividend is payable, shall be at the average borrowing rate of Government.

The Committee also accepted the Railway Ministry's proposal to abolish the tax on railway fares and merge it with the basic fares with effect from 1st April, 1961. The Railways would be paying a fixed contribution of Rs. 12·5 crores per annum during the next five-year period representing the average of the actual collections for the two years 1958-59 and 1959-60. Of this amount of Rs. 12·5 crores, ¼ per cent. will be retained as attributable to Union Territories and the balance distributed amongst the States by way of a grant. The distribution will be made in accordance with the recommendations of the Third Finance Commission.

Against the original estimate of Rs. 57·27 crores, the Railways would be paying a dividend of Rs. 56·66 crores this year and Rs. 65·34 crores next year. Of this, Rs. 51·6 crores this year and Rs. 56·55 crores next year will be adjusted as in reduction of interest charges and the balance of Rs. 5·06 crores this year and Rs. 8·79 crores next year as contribution. The fall in the dividend this year is mainly due to the reassessment of the figure of overcapitalisation of Railways from the original estimate of Rs. 100 crores to Rs. 121 crores on which interest alone is payable. The increase in the dividend next year is partly due to increase in the rate from 4 per cent to 4¼ per cent. referred to earlier and partly to the increase in the mean capital at charge. The increase in interest portion of the recovery is also partly attributable to the increase in the average rate from 3·57 per cent. in the current year to 3·6 per cent. in the next year.

STATEMENT V

Statement showing State-wise distribution of Income-tax, Grants in lieu of loss in Income Tax, Union Excise Duties, Additional Excise Duties, Estate Duty, Tax on Railway Passenger Fores and Grants in lieu thereof

(In lakhs of Rs.)

State	Budget Estimates, 1960-61						Revised Estimates, 1960-61						Budget Estimates, 1961-62					
	Income tax	Grants in lieu of loss in income tax	U.E. Duties	Additional Excise Duties	Estate Duty	Tax on Rly. Passenger Fares	Income tax	Grants in lieu of loss in income Tax	U.E. Duties	Additional Excise Duties	Estate duty	Tax on Rly. Passenger Fares	Income tax	Grants in lieu of loss in income tax	U.E. Duties	Additional Excise Duties	Estate Duty	Grants in lieu of Tax on Rly. Passenger Fares
Andhra Pradesh	4,23	2,57	3,27	2,87	23	1,12	7,03	1,96	3,43	2,78	26	1,21	6,53	2,19	3,38	2,89	26	1,10
Assam	1,27	77	1,21	1,03	5	34	2,12	59	1,27	1,00	7	37	1,97	66	1,25	1,04	7	34
Bihar	5,17	3,14	3,69	1,93	20	1,19	8,65	2,40	3,88	1,76	30	1,29	8,03	2,68	3,83	1,93	30	1,17
Bombay*	8,31	5,04	4,24	10,96	52	2,06	1,16	32	37	89	3	19	..	..	..	..	..	..
Gujarat	..	..	..	..	..	..	4,29	1,19	1,38	3,28	12	69	4,35	1,45	1,49	3,70	13	68
Kerala	1,89	1,15	1,34	1,17	12	23	3,17	88	1,41	1,12	12	25	2,94	98	1,39	1,17	12	23
Madhya Pradesh	3,50	2,12	2,60	2,08	16	1,05	5,84	1,62	2,74	1,95	21	1,15	5,43	1,81	2,70	2,08	21	1,04
Madras	4,37	2,65	2,64	3,40	31	82	7,34	2,03	2,80	3,29	29	90	6,82	2,26	2,76	3,42	30	81
Maharashtra	..	..	..	..	..	..	8,44	2,35	2,72	6,47	24	1,37	8,56	2,85	2,93	7,27	26	1,35
Mysore	2,68	1,62	2,27	1,36	13	56	4,47	1,24	2,40	1,28	18	61	4,15	1,38	2,36	1,37	17	55
Orissa	1,94	1,18	1,55	1,06	8	23	3,24	90	1,64	1,01	11	25	3,01	1,00	1,62	1,06	11	22
Punjab	2,21	1,34	1,60	2,21	13	1,03	3,69	1,02	1,69	2,08	13	1,12	3,43	1,14	1,66	2,20	13	1,01
Rajasthan	2,13	1,29	1,64	1,22	11	86	3,56	99	1,73	1,13	13	93	3,30	1,10	1,71	1,22	13	84
Uttar Pradesh	8,52	5,17	5,56	6,86	41	2,37	14,23	3,95	5,86	6,60	49	2,59	13,22	4,40	5,78	6,86	49	2,34
West Bengal	5,25	3,18	2,65	3,39	43	80	8,77	2,44	2,79	3,24	20	87	8,14	2,71	2,75	3,38	20	79
Jammu & Kashmir	59	36	61	51	2	..	98	27	64	47	3	..	91	30	63	50	3	..
TOTAL	52,06	31,58	34,87	40,05	2,90	12,66	86,98	24,15	36,75	38,35	2,91	13,79	80,79	26,91	36,24	40,09	2,91	12,47

*Revised estimates represent the share for the month of April, 1960 payable to the former Bombay State in accordance with the provisions of the Ninth Schedule to the Bombay Re-organisation Act, 1960.

ESTIMATES OF EXPENDITURE MET FROM REVENUE

As a result of the changes in accounts introduced with effect from next year as explained in Part II of the Introductory Note, the provisions for the coming year under the various heads will not be strictly comparable with the corresponding figures for the current year. Due allowance will, therefore, have to be made for these changes for the purpose of analysing the variations in the provisions for the two years. A mention has been made in paragraph 6 of Part I of the Introductory Note about the difference in treatment in figures shown in the Demands for Grants and those included in the Annual Financial Statement as summarised in Statement No. I. While the Demands for Grants are for the actual expenditure exclusive of recoveries, the figures in Statement No. I are for net expenditures after adjustment of the recoveries. The statement below reconciles the figures given in the Demands and those shown in Statement No. I.

(In lakhs of Rs.)

	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
Total gross expenditure met from Revenue as shown in the demands for grants .	12,82,40·72	12,71,63·10	13,49,56·95
Deduct—			
(*a*) Recoveries (shown in Annexure XIII) adjustable in reduction of gross expenditure and taken into account in working out the net expenditure shown in Statement I	2,04,83·92	2,15,25·70	2,22,82·67
(*b*) Receipts of the Defence Services taken into account in working out the net expenditure on Defence Services shown in Statement I	20,85·42	21,06·22	21,14·62
(*c*) "Working Expenses" of Commercial departments taken in reduction of revenue shown in Statement I—			
(*i*) Posts and Telegraphs . . .	66,56·01	65,57·71	69,43·23
(*ii*) Road Transport Schemes . .	79·84	85·86	86·64
(*iii*) Electricity Schemes . . .	16·19	17·61	20·82
(*d*) Dividend payable by Posts & Telegraphs Department to General Revenues and Appropriations from P. & T. Surplus .	8,83·99	11,32·29	11,56·77
TOTAL—DEDUCTION . . .	,02,05·37	3,14,25·39	3,26,04·75
Total expenditure shown in Statement I of this memorandum	9,80,35·35	9,57,37·71	10,23,52·20

A Summary of the Expenditure Estimates by broad categories is given in Statement No. I at the commencement of this Section. Further details by heads of account together with brief notes explaining the variations between the current budget, the revised estimates and the next budget are given in the notes below.

As explained earlier, these figures do not agree with those shown in the individual Demands. This is due to two factors. In the first place, in most cases, the same major head appears in more than one Demand and secondly, while recoveries are taken in the accounts in reduction of expenditure, the figures in the Demands are for gross expenditure excluding recoveries.

COLLECTION OF TAXES, DUTIES AND OTHER PRINCIPAL REVENUES

The expenditure under this group head is mostly on tax collection by the Union and in respect of Union Territories and Tribal Areas. As explained in Part II of the Introductory Note, the share of Union Excise Duties payable to the State Governments under Article 272 of the Constitution has been transferred next year to Section "Contributions and Miscellaneous Adjustments". Likewise, the provision for the payment of the net proceeds of certain taxes and duties, such as, Terminal Taxes, Entertainment Taxes, Taxes on Vehicles etc. to local bodies has been transferred next year from this group head to the head "Other Miscellaneous Contributions and Assignments" in Section "Contributions and Miscellaneous Adjustments".

Details by heads of account are given below:—

(In lakhs of Rupees)

Heads	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
Customs	3,95	3,83	4,02
Union Excise Duties	81,48	81,92	7,00
Corporation Tax	3,04	2,85	2,93
Income Tax	2,59	2,64	2,76
Estate Duty	7	6	6
Taxes on Wealth	16	16	15
Tax on Railway Fares	8	10	..
Expenditure Tax	2	2	2
Gift Tax	2	2	2
Opium	4,98	4,68	5,41
Land Revenue	63	64	73
State Excise Duties	37	45	45
Stamps	2,55	2,55	2,63
Forest	5,06	4,83	3,91

(In lakhs of Rupees)

Heads	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
Registration	2	3	2
Taxes on Vehicles	33	35	4
Sales Tax	11	12	12
Other Taxes and Duties	1,87	2,05	19
TOTAL—COLLECTION OF TAXES, DUTIES AND OTHER PRINCIPAL REVENUES	1,07,33	1,07,30	30,46

Customs.—The saving this year is due mainly to non-filling up of vacancies and less expenditure on purchase of launches and chemical apparatus from abroad. Provision for the purchase of stores and apparatus for Customs House Laboratories and larger payments for land Customs account for the increase next year.

Union Excise Duties.—The broad details are:—

(In lakhs of Rupees)

	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
States' share of ordinary duties	34,82	36,75	..
States' share of additional duties on sugar, textiles and tobacco	39,70	38,35	..
Other expenditure	6,96	6,82	7,00
TOTAL	81,48	81,92	7,00

The increase in the States' share of basic duties this year is due mainly to the additional payment of Rs. 40 lakhs arising as a result of the increases made under the Finance Act, 1960 and the arrears of Rs. 1·36 crores payable for the year 1959-60 The decrease in the share of additional duties this year is attributable to less collections than anticipated and recovery of Rs. 1·69 crores over-paid last year.

As explained earlier, payment of States' share of Union Excise Duties including Additional Excises has been provided for next year under the new major head "Payments of States' share of Union Excise Duties" in Section "Contributions and Miscellaneous Adjustments".

The saving this year under "Other Expenditure" is due mainly to non-utilization of provision for payment of Rs. 10 lakhs to Railways as arrears of rental charges. The provision for payment of arrear rents, purchase of additional launches and jeeps and normal growth explains the increase next year.

Corporation Tax, Income Tax, Estate Duty, Taxes on Wealth, Taxes on Railway Fares, Expenditure Tax and Gift Tax.—Excluding Taxes on Railway Fares, the other taxes are administered by a single department. The entire charges for collection are distributed over the heads concerned in proportion to the total collections. Although Corporation Tax receipts

have registered an increase, the transfer from Income Tax as a result of changes in the company tax structure brought about this year has been less than what was originally anticipated. This explains the saving under charges for collection of Corporation Tax this year. Provision for normal growth and additional posts to cope with the increase in working accounts for the increase next year both under Corporation Tax and Income Tax.

Abolition of the tax on Railway Fares and its merger with the basic fares explains the absence of provision next year under "Tax on Railway Fares".

Opium.—The saving this year is due to less payment for purchase of opium on account of the damage to crops in Uttar Pradesh. Larger payments for purchase of opium following extension in the area under poppy cultivation and the enhancement in purchase price accounts for the increase next year.

State Excise Duties.—Larger requirements of the Delhi Administration explain the increase in both the years.

Stamps.—Increased requirements of the India Security Press mainly on account of interest on larger capital outlay are responsible for increase next year.

Forest.—The saving in the Revised is attributable to less expenditure on developmental schemes in Andaman and Nicobar Islands than originally provided for. Excluding the allocation of grants to States for afforestation and soil conservation schemes provided for under the separate head, the budget next year shows an increase of a little over Rs. 1 crore and reflects the increased requirements of the Union Territories of Himachal Pradesh, Tripura and Manipur for afforestation schemes and provision for NEFA and Naga Hills and Tuensang Area transferred from the head "Tribal Areas".

Taxes on Vehicles.—The transfer of payment of net proceeds of Motor Vehicle Tax to local bodies and Territorial Councils to the new head "Other Miscellaneous Contributions and Assignments" accounts for the decrease next year.

Other Taxes and Duties.—Larger payments of net proceeds of Terminal, Entertainment and Betting taxes to the Delhi Municipal Corporation and other local bodies explain the increase in the current year. Transfer of these payments to the new major head described earlier accounts for the saving next year.

IRRIGATION

The expenditure is on minor irrigation works in the Union Territories. The details of the provision are:—

(In lakhs of Rupees)

	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
Irrigation	17	13	15
TOTAL . .	17	13	15

DEBT SERVICES

Details by heads of account of the expenditure brought to account in this Section are given below:—

(In lakhs of Rupees)

Heads	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
Interest on Debt and Other Obligations .	69,59	67,35	76,90
Appropriation for reduction or avoidance of debt	5,00	5,00	5,00
TOTAL . .	74,59	72,35	81,90

Interest on Debt and Other Obligations.—The broad details are:—

(In lakhs of Rupees)

	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
Rupee Loans	86,09	84,22	89,89
Sterling Loans	5,03	5,37	7,16
Other (Foreign) Loans	20,94	19,08	27,94
Floating Debt	33,76	31,55	31,67
Savings Bank, Cash Certificates and National Plan Savings Certificates . .	25,95	27,26	29,94
State Provident Funds	9,51	9,79	11,13
Railway Funds	2,74	2,96	2,66
Other Items	7,78	8,87	13,23
TOTAL GROSS . . .	1,91,80	1,89,10	2,13,62
Deduct Recoveries :			
(*a*) From Railways	51,63	51,60	56,55
(*b*) From States	61,97	61,91	71,55
(*c*) From P. & T.	4,00	3,79	4,27
(*d*) From others	4,61	4,45	4,35
TOTAL RECOVERIES . . .	1,22,21	1,21,75	1,36,72
TOTAL NET EXPENDITURE . . .	69,59	67,35	76,90

Rupee Loans.—The original budget had estimated the receipts from new market loans and Prize Bonds at Rs. 250 crores. Actual realisations in the current year are now estimated at Rs. 193·2 crores. The actual rate of interest on the new loans floated during the year was also less than the average rate at which the provision was included in the original estimates. These factors together with the offer of conversion facilities to the holders of 4 per cent Loan, 1960—70 earlier than its date of maturity, account for the saving under this head in the current year.

The increase next year is due partly to the new market loans of Rs. 235 crores, expected to be floated during the year and partly to the full year's effect of the conversion of *ad hoc* Treasury Bills of the value of Rs. 50 crores into dated securities brought about in January this year.

Sterling Loans.—The increase in both the years is attributable to larger credits received in the current year from the Government of United Kingdom under the Export Credit Guarantee Agreements.

Other (Foreign) Loans.—The details are:—

(In lakhs of Rupees)

Heads of Expenditure	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
(*i*) Interest on Dollar Loans from I.B.R.D.	7,84	7,16	8,88
(*ii*) Interest on other American Loans	4,72	2,98	6,80
(*iii*) Interest on Loans from U.S.S.R.	1,30	1,31	1,26
(*iv*) Interest on Canadian credit for purchase of wheat	67	67	60
(*v*) Interest on U.S. EXIMBANK credit	1,24	81	1,79
(*vi*) Interest on Japanese EXIMBANK credit	43	23	1,00
(*vii*) Interest on Loans from the Federal Republic of Germany	4,74	5,92	7,08
(*viii*) Interest on P.L. 480—American Loans.	..	..	50
(*ix*) Other Items	..	..	3
TOTAL	20,94	19,08	27,94

(i) Provision has been made on account of Railway Project Loans, Bokaro-Konar Loans, (D.V.C. I), Second and Third D.V.C. Loans and Koyna Project Loan. The drawals from the I.B.R.D. for the above projects this year and next year are anticipated to be Rs. 42·80 crores and Rs. 17·59 crores against the Budget of Rs. 30·13 crores. The saving in the interest payments this year is due to unanticipated delay in the drawal of the Railway Loan. Further loans from the Bank for the above projects account for the increase next year.

(ii) Provision has been made for payment of interest on Development Assistance Loans, Loans from Development Loan Fund and U.S. President's Asian Economic Development Fund. The details of these loans are explained in Annexure XVI.

(iii) Interest payments on the loan obtained from the U.S.S.R. for the Bhilai Steel Project, various industrial enterprises, such as heavy machines building plant, optical glass factory, coal mining machinery plant etc., for the manufacture of drugs, medicines, and surgical instruments and for construction of Petroleum Refinery at Barauni are provided here.

(iv) Interest payments on the loan under the Agreements signed with the Government of Canada in 1958 for a total sum of $ 33·8 million for the purchase of wheat and flour are accounted for here. The loans bear interest @ 4¼ per cent per annum.

(v) This covers loans from the EXIMBANK, U.S.A. under the credit of $ 150 million (Rs. 71·43 crores) established in June, 1958 for purchase of U.S. equipment, machinery, etc. for irrigation and reclamation, power, transport and communications, mining and certain selected industries like aluminium, textiles, chemicals, engineering, automobile and machine tools. The credit bears interest @ 5¼ per cent per annum. The anticipated drawals out of this credit this year and next year are Rs. 24·67 crores and Rs. 35·70 crores respectively, the entire credit being utilised by the end of next year.

(vi) An agreement was signed with the Japanese Government in February, 1958, for 18 billion Yen (Rs. 23·81 crores) for the purchase in Japan through the Japanese Export-Import Bank of railway, power, coal and iron ore, mining and processing equipment, machine tools and industrial machinery. The loan is repayable within 10 years and bears interest at the rates charged by the World Bank. The anticipated drawals out of this credit for the current year and next year are Rs. 8 crores and Rs. 11·84 crores. The entire credit will be utilised by the end of the next year.

Under another agreement, the Japanese Government will provide credit of $ 8 million (Rs. 3·81 crores) on deferred payment basis for the purchase of mining equipment and other material for the Orissa Iron Ore Project. The likely drawals out of this credit next year are of the order of Rs. 1·81 crores.

(vii) Includes Rs. 4·09 crores this year and Rs. 4·29 crores next year for interest on loan for Rourkela Steel Plant and Rs. 1·83 crores this year and Rs. 2·79 crores next year for the further credits of D.M. 168 million and First and Second Credits of D.M. 125·1 million each, authorised by the Federal Republic of Germany. These credits are intended for importing capital goods and equipment from West Germany.

(viii) A provision of Rs. 50 lakhs has been made next year for payment of interest charges on the loans from U.S. Government out of P.L. 480 counterpart funds.

Floating Debt.—As compared with the net increase in *ad hoc* Treasury Bills of Rs. 153 crores estimated in the original budget to cover the overall deficit, the net expansion during the year is now estimated at Rs. 15 crores only. The improvement is mainly due to the investment of P.L. 480 counterpart funds. In addition, as mentioned under rupee debt, *ad hocs* of the value of Rs. 50 crores were converted into dated securities in January, 1961. These factors explain the saving in payment of interest on Floating Debt this year. The budget next year shows a small increase of Rs. 12 lakhs, the effect of further expansion of *ad hoc* Treasury Bills to cover the overall deficit being partly offset by the saving caused by the conversion of the *ad hocs* of Rs. 50 crores this year.

Savings Bank, Cash Certificates and National Plan Savings Certificates.—The improvements in the net collections from various Small Savings Schemes account for the increase in both the years.

State Provident Funds.—Besides progressive growth, the increase is mainly attributable to compulsory subscription to the Provident Funds following the Pay Commission's recommendations.

Railway Funds.—The increase in the current year is mainly due to the Railway Development Fund opening with a credit balance against nil balance assumed earlier and transfer of expenditure on certain works

since assessed as remunerative to Capital by credit to the Fund. Larger withdrawals from the Funds to meet the growing needs of the development of the Railways account for the decrease in payment of interest next year.

Other Items.—Prior to 12th May, 1960, the rupee equivalent of the Dollar cost of surplus agricultural commodities imported from the United States of America under P.L. 480 were deposited with the State Bank of India, who in turn, invested them in Government of India Treasury Bills and other market loans. This arrangement led to a somewhat distorted picture of the deposits in the State Bank of India *vis-a-vis* other banks and their investment in Government Securities. Accordingly, arrangements were made in agreement with the American authorities to deposit this money directly from 12th May, 1960 onwards with the Reserve Bank, the latter investing them in Special Securities of the Government of India on which interest at 1½ per cent per annum is paid. These securities are non-negotiable and are repayable on demand. The moneys invested on this account at the end of the current year are expected to be of the order of Rs. 240 crores which would also include a sum of Rs. 108 crores refunded by the State Bank at the rate of Rs. 12 crores a month from the amounts formerly deposited with the Bank. The increase under "Other Items" in the two years is mainly on account of interest payable on such special securities. A part of the increase is also attributable to the payment of prizes and other expenditure of the Prize Bonds scheme introduced in the current year.

RECOVERIES

(a) *From Railways.*—The increase in both the years is due to progressive increase in the Capital-at-charge on Railways and to the increase in the average rate of interest chargeable from the Government Commercial Departments from 3·57 per cent. in the current Revised to 3·6 per cent. next year. The average rate is determined on the basis of the total interest payable on all outstanding rupee loans including the annual write back to Revenue of the discount paid on loans floated in the earlier years and the cost of management of Public Debt.

(b) *From States.*—The loans to be granted to the States in the current and the next year account for the increase in the interest recoveries next year.

(c) *From P. & T.*—As in the case of Railways, the increased recovery next year is due to the increase in the capital investment of P. & T. and the increase in the average rate.

(d) *From Others.*—The shortfall in the recovery this year is mainly due to less requirements of the Railways for loan from the General Revenues for their Development Fund.

The Railway Development Fund is fed from the Railway surplus and is utilized for expenditure on works for provision of amenities to passengers and other users including labour welfare works, etc. The Railway Convention Committee, 1954, had recommended that as and when the Fund was not in a position to meet the programme of expenditure chargeable to it from its own resources, moneys should be advanced from the General Revenues as temporary loans, bearing interest at the average rate chargeable to Commercial Departments. This position was reviewed by the Railway Convention Committee, 1960. The Committee have recommended that outstanding liability of the Development Fund to the General

Revenues as on 31st March, 1961 should be liquidated by transferring to Capital of the cost of all new lines under construction on 1st April, 1955 hitherto charged to Development Fund, the remaining liability being repaid from out of the balance of the Revenue Reserve Fund. The Committee have also recommended that during the next five years or for so long as sufficient balances are not available in the Railway Development Fund to meet its commitments, the General Revenues may continue to advance loans to the Fund on the existing basis.

Further shortfall in the recovery next year under this head is attributable to the repayment by the Fund of its outstanding loans at the end of the current year as mentioned above.

A mention may be made here of the change in classification in accounts of interest charges payable by Commercial Departments on capital or loans advanced to them. Such payments have hitherto been classified as "charged expenditure". According to Article 112(3)(c) of the Constitution of India, the debt charges, for which the Government of India is liable including interest, sinking fund charges and redemption charges, and other expenditure relating to the raising of loans and the service and redemption of debt are charged on the Consolidated Fund of India. Since interest payments under heads other than "22—Interest" do not constitute a liability of the Government of India within the meaning of this Article, it has been decided, after consultation with the Comptroller and Auditor General of India, that with effect from 1961-62 such payments may be treated as a "voted" item of expenditure.

Appropriation for Reduction or Avoidance of Debt.—The usual provision of Rs. 5 crores has been made in both the years for which a corresponding credit is taken under the deposit head "Appropriation for Reduction or Avoidance of Debt—Other Appropriations".

ADMINISTRATIVE SERVICES

The provision under this group head has hitherto formed part of Civil Administration. Broadly, the expenditure relates to administrative and ancillary services and the day-to-day running of the administration at the Centre and in the Union Territories, other than on tax collection which is recorded under the group head "Collection of Taxes, Duties and other Principal Revenues". Broad details are:—

(In lakhs of Rupees)

Heads	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
General Administration	17,10	17,03	19,23
Audit	8,66	8,53	8,53
Administration of Justice	49	52	54
Jails	16	19	20
Police	11,16	12,74	19,09
External Affairs	10,37	10,37	10,78
Tribal Areas	12,65	12,15	..
TOTAL	60,59	61,53	58,37

General Administration.—Budget next year shows an increase of Rs. 2·2 crores which is mainly due to the inclusion of Rs. 2·24 crores for NEFA and Naga Hills and Tuensang Area formerly provided for under "Tribal Areas", partly offset by the absence of provision for contribution to States for election expenses for which provision has been included under "Grants to States".

Audit.—The Revised shows a saving of Rs. 13 lakhs due mainly to smaller requirements of staff following the rationalisation and simplification of audit procedures.

Police.—Larger requirements of Union Territories and the Central Reserve Police and more payments to State Governments for border Police explain the increase in the current year. Further increase of Rs. 6·35 crores next year is due to the provision of Rs. 7·72 crores for NEFA and Naga Hills and Tuensang Area partly counterbalanced by transfer of the grants to States to the new head.

External Affairs.—Expenditure on Tibetan refugees will amount to Rs. 52 lakhs this year and Rs. 1·13 crores next year. Subsidy to Bhutan and Sikkim is being increased to Rs. 1·74 crores in the Revised and Rs. 2·08 crores in the budget as compared to the original estimate of Rs. 1·52 crores. This increase, however, will be partly off set in both the years by the absence of provision for payment to Defence Services for the Indian Armed Contingents in Gaza and Congo, the cost of which will now remain a final charge of the Defence Services Estimates.

Tribal Areas.—Less expenditure of Frontier Constabulary and Militia accounts mainly for the saving in the current year. As explained in Part II of the Introductory Note, this head is being split up next year and provision will now be included, as in the case of Area Demands, under the respective heads to which the expenditure relates.

Social and Developmental Services.—The expenditure on social and developmental services has, along with administrative services proper, hitherto been recorded in Section "Civil Administration". As explained earlier, the two categories of expenditure are being segregated with effect from next year. Broad details of the expenditure on Social and Developmental Services are as follows:—

(In lakhs of Rupees)

	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
Ports and Pilotage	39	40	39
Mercantile Marine	68	68	75
Lighthouses and Lightships	74	80	81
Scientific Departments	23,51	23,08	26,59
Education	45,35	44,16	29,55
Medical	8,83	8,28	7,12
Public Health	12,02	10,44	5,70
Agriculture	14,51	14,37	9,99

(In lakhs of Rupees)

	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
Rural Development	1,00	1,00	1
Animal Husbandry	2,82	2,77	1,37
Co-operation	3,53	3,40	2,63
Industries and Supplies	64,46	60,08	53,70
Capital Outlay on Industrial Development met from Revenue	..	5	6
Aviation	3,76	3,71	3,74
Broadcasting	4,56	4,42	4,72
Labour and Employment	..	..	4,17
Miscellaneous Departments	21,01	20,88	20,20
Community Development	..	..	1,96
TOTAL	2,07,17	1,98,52	1,73,46

Mercantile Marine.—A larger subsidy to the Shipping Development Fund accounts for the increase next year.

Light-houses and Light-ships.—The surplus of the Department, after meeting the working and maintenance expenses of Light-houses and Light-ships, is transferred to the General Reserve Fund for the use of Light-houses and Light-ships. Larger receipts this year account for the increased provision for transfer to the Fund.

Scientific Departments.—The details are as follows:—

(In lakhs of Rs.)

	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
(*i*) Archaeology	1,22	1,13	1,33
(*ii*) Survey of India	1,39	1,18	1,31
(*iii*) Botanical Survey	17	17	25
(*iv*) Geological Survey	1,99	1,94	2,88
(*v*) Zoological Survey	12	11	17
(*vi*) Meteorology	1,77	1,75	1,88
(*vii*) Atomic Energy Research	5,07	5,07	5,55
(*viii*) *Scientific Research*—			
(*a*) Grants to States	2,94	2,94	..
(*b*) Grants to C.S.I.R.	3,90	4,00	4,95
(*c*) Grants to others	2,89	2,89	6,24
(*ix*) Other Items	2,05	1,90	2,03
TOTAL	23,51	23,08	26,59

Excluding grants to States provided for separately, the provision next year shows an increase of Rs. 6·61 crores over the current year's corresponding provision and reflects the increased requirements of the Scientific Departments including scientific research in the first year of the Third Plan. Provision has been included next year for a grant of Rs. 1·5 crores to scientific and technical institutions, Rs. 1·55 crores for establishing 15 Centrally sponsored regional colleges of Engineering and Rs. 40 lakhs for introduction of five-year courses in Engineering and Technology.

Education.—The saving in the Revised mainly occurs under grants to Technological and other Institutions (Rs. 158 lakhs) and Scholarship Schemes (Rs. 15 lakhs). But these savings will be partly neutralised by the increased requirements of the University Grants Commission (Rs. 48 lakhs) and Union Territories (Rs. 20 lakhs). Excluding provision for grants to States which is being transferred to the separate head, the budget next year shows an increase of Rs. 9·98 crores over the current year's Revised. University Grants Commission would be receiving Rs. 4·31 crores more, whereas grants to Technological and other Institutes for educational and cultural purposes would increase by Rs. 2·53 crores. Union Territories would be requiring Rs. 1·16 crores more and the Scholarship Schemes would show an increase of Rs. 11 lakhs. Transfer of provision for NEFA and Naga Hills and Tuensang Area from "Tribal Areas" and for the National Institute of Audio Visual Education, Directorates of Social Welfare and Rehabilitation, Hindi, and Extension Programme for Secondary Education and National Discipline Schemes from "Miscellaneous Departments" accounts for an increase of Rs. 1·72 crores next year.

Medical.—The saving in the current year is due mainly to less grants to States and other institutions than originally estimated. Excluding grants to States provision next year shows an increase of Rs. 2·72 crores which is chiefly due to larger grants for medical institutes in particular, All India Institute of Medical Sciences (Rs. 1·66 crores) and transfer of provision for NEFA and Naga Hills and Tuensang Area (Rs. 66 lakhs).

Public Health.—Less grants to States account for the saving in the current year. Excluding the grants to States, Budget next year shows an increase of Rs. 2·35 crores. Grants to other institutions for public health purposes would increase from Rs. 1·41 crores this year to Rs. 2·54 crores next year. Direct expenditure on family planning would increase from Rs. 30 lakhs this year to Rs. 1·3 crores next year.

Agriculture.—The Revised shows a minor saving of Rs. 14 lakhs which is the net result of variations over a number of heads. The grants to States for various agricultural purposes during the current year remain unchanged at Rs. 8·06 crores. Excluding these grants which are being transferred to a separate head, Budget next year shows an increase of Rs. 3·68 crores over the current year's Revised which is again spread over a number of items. Of the main increases, mention may be made of grants to various Committees, etc. (Rs. 24 lakhs), expenditure on fumigation of American cotton (Rs. 30 lakhs), grants to the Indian Council of Agricultural Research (Rs. 96 lakhs), additional requirements for Union Territories (Rs. 26 lakhs), transfer of provision for NEFA and Naga Hills and Tuensang Area (Rs. 32 lakhs) and requirements of Indian Agricultural Research Institute (Rs. 14 lakhs).

Rural Development.—Provision consists mostly for grants to States which is being transferred to a separate head.

Animal Husbandry.—Besides provision for Veterinary Departments in Union Territories, the estimates include provision for the running of the Indian Veterinary Research Institute. Excluding grants to States, next year's provision exceeds the current year's Revised by Rs. 49 lakhs.

Co-operation.—The grants to the National Co-operative Development and Warehousing Board next year will amount to Rs. 2·14 crores as compared to Rs. 2·66 crores in the Revised. Further saving next year is due to the transfer of the provision for grants to States under a separate head.

Industries and Supplies.—The saving in the current year is due to less grants to the Khadi and Village Industries Commission (Rs. 2·28 crores) and smaller provision for transfer of surcharge on iron and steel to the Steel Equalisation Fund (Rs. 2·10 crores).

Excluding the element of grants to States, the provision next year shows a decrease of Rs. 1·18 crores which is the net result of variations over a number of items. Provision for the transfer of surcharge on iron and steel will go down further by Rs. 3·4 crores and grants to the Khadi and Village Industries Commission will decrease by Rs. 94 lakhs. But these decreases will be partly counter-balanced by increases of Rs. 1·44 crores in the payment of net proceeds of cesses on coffee, tea, rubber and coir, Rs. 47 lakhs in the requirements of the Overseas Communications Service, Rs. 42 lakhs in the grants to others for Industrial, Small Scale, Handloom development, etc., Rs. 32 lakhs for Small Industries Service Institute and Rs. 18 lakhs for Union Territories. Of the grant payable to Khadi and Village Industries Commission next year, Rs. 3·56 crores are for traditional khadi, Rs. 3·95 crores for the Ambar Charka programme, Rs. 2·5 crores for village industries and Rs. 1·52 crores for payment of subsidy for the interest on loans due from the Commission.

Broadcasting.—The saving this year is due to non-receipt of stores and equipment to the extent anticipated. Provision for these stores and equipment and for purchase of new vehicles accounts for the increase next year.

Labour and Employment.—As part of the accounting changes introduced next year, the expenditure on Labour and Employment, which has hitherto been booked under "Miscellaneous Departments" and "Miscellaneous", is being recorded under a separate major head. As compared to the current year's Revised provision of Rs. 3·59 crores under these two heads, budget next year provides Rs. 4·17 crores. Of this, Rs. 1·94 crores are for transfer of cesses on coal and mica to the Coal Mines Labour Welfare and Central Rescue Stations Funds and Mica Fund.

Miscellaneous Departments.—The Revised this year shows a saving of Rs. 13 lakhs which is the net effect of variations under a large number of heads. Of the main increases, mention may be made of Rs. 9 lakhs under Foreign Trade Control, Rs. 10 lakhs under grants to States for Dairy Development and Rs. 50 lakhs for the expenditure on Census operations. The main savings occur under Trade Demonstration and Propaganda (Rs. 11 lakhs), grant to the Indian Statistical Institute (Rs. 10 lakhs) and expenditure on emergency relief schemes (Rs. 22 lakhs).

Disregarding the effect of certain provisions included in the current Revised, namely, Rs. 58 lakhs for Directorates of Social Welfare and Rehabilitation, Hindi and Extension Programme of Secondary Education,

National Institute of Audio Visual Education and National Discipline Scheme transferred to the head "Education", Rs. 1·43 crores for grants to States, which will be provided for separately next year and Rs. 2·52 crores for Labour and Employment, which are also being recorded separately, the budget next year shows an increase of Rs. 3·85 crores. This increase is spread over a number of items, of which Rs. 1·32 crores occur under Census and Rs. 1·7 crores for the payment of cess on coal to the Coal Board.

Rehabilitation Finance Administration.—Under the Rehabilitation Finance Administration Act, 1948, a Rehabilitation Finance Administration was constituted with effect from the 1st June, 1948, for giving financial assistance on reasonable terms to displaced persons to enable them to settle in business or industry. As the main purpose for which the Administration was set up has since been completed, it was decided to place the Administration under liquidation at the close of business on 30th June, 1960. Later, the Administration was dissolved with effect from the close of business on 31st December, 1960 and its residuary responsibilities taken over by Government. Accordingly, a separate unit was set up as a subordinate organization of the Ministry of Finance in the Department of Economic Affairs for dealing with the work transferred from the Administration. A budget provision of Rs. 2 lakhs in the Revised and Rs. 8 lakhs in the Budget next year has been made for this Unit.

Community Development, National Extension Service and Local Development Works.—The original budget and the revised appear in Section "Extraordinary Items". Provision next year is for the requirements of the Union Territories and certain training institutes run by the Centre directly including the payment of prizes. As compared with the current year's Revised of Rs. 1·24 crores, the expenditure in Union Territories is estimated at Rs. 1·42 crores.

CURRENCY AND MINT

The expenditure on the running of the Currency Note Press and the Mints is recorded here. The loss on destruction of un-current coins is treated as part of the expenditure of the Mints. Details are given below:—

(In lakhs of Rupees)

Heads	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
Currency	3,68	4,27	5,06
Mint	6,59	6,60	6,90
TOTAL	10,27	10,87	11,96

Currency.—Larger demand for Bank notes and one rupee notes mainly accounts for the increase in both the years. Provision has, as usual, been made for the annual write back of Rs. 60 lakhs of the payment made to the Reserve Bank for the replacement by Indian currency of Osmania Sikka currency, since demonetised. The initial payment to the Bank was debited to the head "Capital Outlay on Currency" which is being written back to revenue over a period of 15 years.

Mint.—Includes provision for Mint establishments and loss on destruction of coins. Mint establishments are now going to cost Rs. 1·85 crores

this year and Rs. 1·9 crores next year as compared with the original budget of Rs. 1·83 crores. The increase next year is mainly due to larger provision for purchase of stores for the Mint to meet the growing demand for the minting of new decimal coins.

Against the revised estimate of Rs. 4·75 crores for loss on destruction of coins, budget next year provides Rs. 5 crores. This loss, which is merely a write-back of the profit assumed earlier when the coins were put into circulation, represents the difference between the face value and the metallic contents of the coins melted after withdrawal from circulation. With a view to meet larger demand for decimal coins and also to conserve foreign exchange, it has become necessary to accelerate the processes of destruction of old coins and utilise the released metal for the minting of the new coins. This explains the increase next year in the provision for the loss on destruction of withdrawn coins.

CIVIL WORKS

The expenditure is mostly on the maintenance of national highways, roads in Union Territories and certain other roads which are maintained by the Central Government and Government buildings, including the cost of construction of minor works. The transfer of part of the revenue from the Customs and Excise Duties on motor spirit to the Central Road Fund is also treated as Civil Works expenditure. This group head also records revenue expenditure on multi-purpose river schemes, including investigation of such schemes, flood control works, etc. and on electricity schemes run in the Union Territories. The details are given below:—

(In lakhs of Rupees)

Heads	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
Civil Works	19,42	20,53	20,62
Multi-purpose River Schemes	79	94	84
Interest on Capital Outlay on Electricity Schemes	..	3	11
Electricity Schemes	11	9	16
TOTAL	20,32	21,59	21,73

Civil Works.—The broad details are:—

(In lakhs of Rupees)

Head	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
1. Block Grant for the Central Road Fund	3,80	4,10	4,00
2. *Civil Works*:			
(*i*) Original Works	1,10	1,39	1,14
(*ii*) Maintenance and Repairs	3,47	3,67	3,87
(*iii*) Establishment	1,70	1,70	2,00
(*iv*) Suspense	97	69	1,91
(*v*) Grants-in-aid	35	34	33
(*vi*) Other Items	50	59	42
TOTAL—CIVIL WORKS	8,09	8,38	9,67

(In lakhs of Rupees)

Head	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
3. *Communications*:—			
(*i*) Maintenance of National Highways	5,10	5,30	5,30
(*ii*) Maintenance of Other Roads	90	90	89
(*iii*) Repayment of Capital Grants for State Roads	1,16	1,16	..
(*iv*) Other Items	37	69	76
TOTAL—COMMUNICATIONS	7,53	8,05	6,95
GRAND TOTAL	19,42	20,53	20,62

Two and a half annas per gallon of the excise and customs duties on motor spirit other than petrol consumed for aviation purposes are transferred as a block grant to the Central Road Fund from which grants are made to the States for road development. As compared to the original estimate of Rs. 3·8 crores, the block grant to the Central Road Fund is now estimated at Rs. 4·1 crores this year and Rs. 4 crores next year, the increase being due to larger clearances of motor spirit than originally anticipated. Larger expenditure on building works in Tripura and Naga Hills and Tuensang Area and construction of temporary pre-fabricated schools and repairs to certain buildings at Delhi accounts for the increase under Civil Works this year. The increase next year is attributable mainly to the creation of additional Circles and Divisions of the Central P.W.D. to cope with its increased work-loads.

Maintenance of national highways is expected to cost Rs. 20 lakhs more than the original estimate due mainly to the repair of damage caused by heavy floods and rains and arrear adjustments of previous years. The expenditure on grants to States for roads of inter-State or economic importance is originally met from Capital but written back to revenue over a period of 15 years. Provision for the write-back of this expenditure is being made next year under the new composite head "Grants to States".

Multi-purpose River Schemes.—The increase in the current year is mainly attributable to provision of Rs. 27 lakhs for grants to States for multi-purpose river schemes. But this will be partly counterbalanced by a saving of Rs. 9 lakhs in the expenditure on investigation of such schemes including flood control measures. Budget next year includes Rs. 20 lakhs for the Central Water and Power Research Station, Poona and Rs. 64 lakhs for investigation of multi-purpose river schemes including flood control.

Interest on Capital Outlay on Electricity Schemes.—Following the decision to declare the electricity schemes in Union Territories as Commercial Departments, it has become necessary to include provision under this head for interest on the capital invested on such schemes.

Electricity Schemes.—Provision relates to the revenue expenditure on electricity schemes in Himachal Pradesh.

MISCELLANEOUS

Details by major heads of account are given below. Transactions of the Civil Departments which cannot be brought to account under any other descriptive major head are adjusted under the head "Miscellaneous".

(In lakhs of Rupees)

Heads	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
Famine	1	9	3
Territorial and Political Pensions	23	24	24
Privy Purses	5,45	5,54	5,45
Superannuation and Retired Allowances	4,43	4,55	4,72
Stationery and Printing	2,49	3,44	3,77
Miscellaneous	1,29,48	1,23,82	50,23
TOTAL	1,42,09	1,37,68	64,44

Privy Purses.—The increase in the current year is due to the arrear payment of privy purse for 1959-60 to the Ruler of Jammu and Kashmir.

Superannuation and Retired Allowances.—Provision is made for the likely payment of pensions and gratuities in both the years on the trend of latest actuals and other information available with the Accounts Officers.

Stationery and Printing.—The provision included under this head represents the net expenditure on stationery and printing including the running of the Government Presses, after taking into account the recoveries from paying departments like Railways, P. & T. and Defence. The increase in the current year is mainly due to increase in the price of paper and stores and larger purchases to meet the growing needs.

Miscellaneous.—The broad details are as follows:—

(In lakhs of Rupees)

	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
1. Assistance to States for relief of damage due to natural calamities	5,00	5,00	..
2. Grants to States for raising the emoluments of low-paid employees	16,11	18,52	..
3. Payment to Mysore Government for the purchase of Kolar and Hatti gold.	3,24	3,25	..
4. Grants to States in lieu of Income Tax	31,58	24,15	..
5. Grants for Development of Border Areas	55	90	..
6. Food subsidy to Jammu and Kashmir	75	2,00	..
7. Grants for the Welfare of Backward Classes	7,35	7,35	10
8. Other Grants to States	1,52	1,63	..
9. Resettlement and Employment			
(*a*) Payments to States	5,99	4,30	..
(*b*) Other Expenditure	..	45	..

(In lakhs of Rupees)

	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
10. Expenditure on displaced persons :			
(*a*) Ordinary Expenditure	2,33	3,10	1,44
(*b*) Transfer of sale proceeds of evacuee property	5,00	5,25	4,50
(*c*) Repayments of Capital Expenditure	4,57	4,32	4,50
(*d*) Irrecoverable loans and advances	29	9	27
(*e*) Expenditure on development of Faridabad Township	1,00	55	57
(*f*) Grants to States	7,09	6,97	..
11. Servicing and other charges in respect of dollar purchases from I.M.F.	1,98	1,45	1,50
12. Aid under Colombo Plan :			
(*a*) Nepal	2,84	2,63	3,20
(*b*) South East Asia	22	22	28
13. Grant to Central Social Welfare Board	2,75	2,18	2,60
14. Repayments from Revenue of expenditure initially debited to Capital :			
(*a*) Trading loss on foodgrains	8,50	8,50	9,50
(*b*) Loss on American loan wheat	49	49	49
(*c*) Development Grants	1,68	1,57	8
15. Write back of loss on collieries	1,24	1,24	..
16. Planning Commission	82	79	87
17. Pondicherry	3,18	3,04	4,02
18. Contributions to U. N. Special Projects Fund and Expanded Programme of Technical Assistance	73	1,19	1,19
19. Expenditure in Union territories	7,71	7,93	10,25
20. Other Items	4,45	4,76	4,87
TOTAL	1,29,48	1,23,82	50,23

Item 1.—Provision of Rs. 5 crores this year and Rs. 6 crores next year has been included for grants to States to assist them in providing relief against natural calamities; next year's provision is being made under the new composite head. This assistance is over and above the amount of Rs. 6·15 crores taken into account by the Finance Commission in recommending their scheme of devolution as representing the average annual expenditure incurred by the States on natural calamities like famine, droughts and floods.

Item 2.—Under the scheme for improving the emoluments of low-paid employees, two-thirds of the total expenditure incurred by the State Governments for increasing the emoluments of their low-paid staff, provided the total emoluments after such increase do not exceed Rs. 100 per month, is paid to the State Governments as grant-in-aid. Due to the progressive increase in the number of the staff and in the emoluments allowed to them by the State Governments, the grant payable this year is now estimated at Rs. 18·52 crores as compared to the original estimate of Rs. 16·11 crores. No provision is being included next year as the grants were payable during the Second Plan period only. The Third Finance Commission is expected to take this factor into account in assessing the gap in the resources of the State Governments.

Item 3.—The provision has been made under this head for payment of subsidy to the Mysore Government to compensate them for the financial dislocation caused by the sale to the Government of India of the gold produced at the Kolar and Hatti gold mines at the official rate of Rs. 62·50 per tola. Provision of Rs. 3·25 crores has been made this year as well as next year for the payment of subsidy. Next year's provision appears under the new head "Grants-in-aid to States".

Item 4.—As mentioned earlier, following the increase in the States' share of Income Tax, the grant payable to the States in lieu of the loss accruing to them as a result of the changes in the company tax structure would stand reduced in the current year by Rs. 7·43 crores. Provision of Rs. 26·91 crores has been made next year on this account under the composite head Grants to States. The amount is distributed amongst the States in the same proportion as their share of Income Tax.

Item 5.—Larger requirements of the States for the development of border areas account for the increase in the grant this year. Provision of Rs. 3·63 crores has been made for this purpose next year under the new composite head "Grants to States".

Item 6.—Against the original estimate of Rs. 75 lakhs, the food subsidy payable to Jammu & Kashmir this year amounts to Rs. 2 crores. This includes the additional *ad hoc* grant of Rs. 1·25 crores to cover the losses incurred by the State on the sale of foodgrains at subsidised rates during the two flood years 1957-58 and 1959-60. No provision has been made for the payment of food subsidy to the State next year.

Item 7.—The total expenditure on welfare of Scheduled Tribes and Backward Classes is now estimated at Rs. 19·5 crores this year and Rs. 9·5 crores next year. Current year's estimate also includes provision for arrear payments relating to past years. Part of the provision in the Revised Estimates is shown here and the balance appears under "Grants to States" as grants under the proviso to Article 275(1) of the Constitution. From next year the total provision for grants to the States both statutory and others has been made under the new composite head. The Draft Outline of the Third Plan provides Rs. 100 crores for the welfare of Backward Classes including Scheduled Tribes and the development of Scheduled Areas. Provision next year has been restricted to the likely requirements for this purpose in the first year of the Third Plan.

Item 8.—Payment of subsidy of Rs. 10 lakhs to Orissa Government for meeting the cost of their Civil Supplies Department on joining the Eastern Rice Zone accounts for the increase this year.

Item 9.—Slow progress on the training of craftsmen and work-*cum*-orientation schemes explains the savings this year. Budget next year includes Rs. 5·85 crores in the composite head as grants to States for Resettlement and Employment.

Item 10(*a*).—Appointment of additional staff etc. for expediting the winding up of the various organisations under the Ministry of Rehabilitation accounts for the increase of ordinary expenditure this year. Budget next year allows for a saving on account of expected winding up of some of the organisations.

Item 10(*b*).- The sale proceeds of acquired evacuee property including the balances held by the Custodians accrue to the Compensation Pool under the Displaced Persons (Compensation and Rehabilitation) Act, 1954 and are accordingly adjusted in reduction of compensation payments to displaced persons initially debited to Capital. These payments from revenue, which are covered by a corresponding increase in revenue, are now expected to exceed the original budget by Rs. 25 lakhs. Budget next year provides for an anticipated transfer of Rs. 4·5 crores on this account.

Item 10(*c*).—The net Capital expenditure on payment of compensation to displaced persons after adjusting the sale proceeds of evacuee property is written back to revenue over a period of 15 years. The write-back is now estimated at Rs. 4·32 crores this year and Rs. 4·5 crores next year.

Item 10(*e*).—As a result of the transfer of Municipal functions of Faridabad Township to the Punjab Government, it was decided last year, after consultation with the Comptroller and Auditor General, that the loans advanced to the Faridabad Development Board may be transferred to the Capital head to the extent they represent the value of permanent assets owned by Government and the balance representing revenue expenditure, losses or assets made over to other parties including the Punjab Government written back to revenue. This loss was originally anticipated at Rs. 1 crore and is now expected to be of the order of Rs. 1·12 crores. Due to the delay in finalising the adjustments, the write off this year will amount to Rs. 55 lakhs only. Provision has been included next year for the adjustment of the balance of Rs. 57 lakhs.

Item 11.—The earlier repayment in February, 1960 of $ 50 million out of the stand-by credit of $ 72½ million obtained from the International Monetary Fund accounts for the saving this year. The balance of $ 22½ million was repaid on its due date in June, 1960.

Item 12(*a*).—Against the current year's Revised of Rs. 2·63 crores, Aid to Nepal next year is estimated at Rs. 3·2 crores. Next year's provision includes Rs. 40 lakhs for Minor Irrigation Schemes, Rs. 50 lakhs for village development, Rs. 25 lakhs for construction of roads under tripartite agreement between India, Nepal and U.S.A., Rs. 20 lakhs for Local Development Works, Rs. 16 lakhs for Educational grants, Rs. 30 lakhs for Tribhuvan Rajpath, Rs. 20 lakhs for Geological Survey, Rs. 61 lakhs for Trisuli Hydro-electric Project and Rs. 25 lakhs for Chatra Canal Scheme.

Item 13.—Against the original estimate of Rs. 2·75 crores, the grant to Central Social Welfare Board will now amount to Rs. 2·18 crores and Rs. 2·6 crores next year.

Item 14(*a*).—The loss on stocks of rice taken over from the State Governments at the time of decontrol in 1954 and on rice imported

under the Financial Agreement with Burma of 1954 amounting in all to Rs. 45 crores is to be written back to revenue over a period of 15 years commencing from 1955-56. The current year's budget includes Rs. 3 crores on this account and Rs. 5½ crores for the losses on foodgrains purchased or imported under P.L. 480 Programme during the preceding three years which are written off over a period of 10 years. Including the write-off of one-tenth of the loss of Rs. 10 crores estimated on the procurements of foodgrains in the current year, the total provision for next year has been made at Rs. 9½ crores.

Item 14(*c*).—Development grants are initially debited to Capital and written back to revenue over a period of 15 years. As compared with the original estimate of Rs. 1·68 crores, the write back now will be Rs. 1·57 crores this year and Rs. 1·66 crores next year of which Rs. 1·58 crores have been included under the composite head "Grants to States".

Item 15.—Expenditure incurred by Government on the removal of overburden in Karagali and Bokaro collieries was debited to "suspense" and recovered gradually from the sale proceeds of coal extracted from these mines. With the transfer of the mines to the National Coal Development Corporation, it became necessary to write off to revenue the outstanding balance of Rs. 1·24 crores for which provision has been made in the current year.

Item 17.—Of the increase of Rs. 98 lakhs next year, Rs. 43 lakhs are for the establishment of a Medical College and Rs. 32 lakhs for development schemes of Pondicherry including the requirements for the construction of a new Pier.

Item 19.—Besides provision of Rs. 50 lakhs for conversion of maintenance loans to displaced persons in Tripura into a grant, the increase next year is mainly due to the increased grants to Territorial Councils of Tripura, Manipur and Himachal Pradesh and larger provision for grant to Delhi Municipal Corporation which increases from Rs. 1·81 crores this year to Rs. 2·4 crores next year.

DEFENCE SERVICES

Details by major heads are given below. The variations are explained in the Memorandum on Defence Services Estimates.

(In lakhs of Rupees)

Heads	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate 1961-62
Army	176,22	174,93	184,13
Navy	18,85	18,27	19,34
Air Force	61,13	58,59	61,06
Non-effective charges	16,06	14,93	18,39
TOTAL	2,72,26	2,66,72	2,82,92

CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS

As mentioned in Part II of the Introductory Note, the scope of this Section has been enlarged with effect from next year so as to cover grants from the Centre to the States and payment of net proceeds to locol bodies, Municipal Corporations etc. Details by major heads of the provision included under this Section are given below:

(In lakhs of Rupees)

Heads	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
Grants-in-aid to States	51,65	51,65	2,08,09
Miscellaneous Adjustments between Union and State Governments	16	22	22
Payment of States' share of Union Excise Duties	..	..	76,33
Other Miscellaneous Contributions and Assignments	..	..	2,62
TOTAL	51,81	51,87	2,87 26

Grants-in-aid to States.—As mentioned earlier, excluding statutory grants, provision for other grants has hitherto been included under the heads to which the grants relate. From next year onwards, the entire provision for grants to States is being made under this head. For purposes of comparison, broad details of the provision included under the various heads in the current year and the corresponding provision under the new head are given below.

(In lakhs of Rs.)

	Revised Estimate, 1960-61	Budget Estimate, 1961-62
I. Grants under Constitution :		
(*a*) Substantive provision of Article 275(1)	39,50	39,50
(*b*) Proviso to Article 275(1)	12,15	5,30
TOTAL	51,65	44,80
II. Other Grants :		
1. Forestry and Soil Conservation, etc..	1,93	2,90
2. General Administration—Contribution for Election expenses	86	2,80
3. Police	2,12	2,24
4. Scientific Departments	3,10	5,30
5. Education	24,59	24,11
6. Medical	3,88	1,69
7. Public Health	7,09	11,52
8. Agriculture including rural development	9,05	10,17
9. Animal Husbandry	1,89	1,79
10. Co-operation	..	70

(In lakhs of Rs.)

Heads	Revised Estimate, 1960-61	Budget Estimate, 1961-62
11. Industries and Supplies	5,20	5,54
12. Broadcasting	15	11
13. Labour and Employment	4,30	5,85
14. Miscellaneous Departments	1,43	2,34
15. Community Development, National Extension Service and Local Development Works	21,53	20,88
16. Civil Works	1,16	1,52
17. Miscellaneous :		
(*a*) Grants in lieu of Income Tax	24,15	26,91
(*b*) Grant in lieu of Tax on Railway Fares	..	12,47
(*c*) Other Miscellaneous Grants	47,13	24,45
TOTAL OTHER GRANTS	1,59,56	1,63,29
GRAND TOTAL	2,11,21	2,08,09

Disregarding the effect of grants in lieu of Income Tax and Tax on Railway Fares explained earlier, the total grants to States next year will be less by Rs. 18·35 crores than the current year's Revised. This reduction is mainly attributable to the disappearance of the grant for increasing the emoluments of low-paid staff to which a reference has been made under Miscellaneous above and to the drop in the grant to the States under the proviso to Article 275(1) of the constitution for the welfare of Scheduled Tribes and development of Scheduled Areas in the first year of the Third Plan.

Miscellaneous Adjustments between the Union and State Governments.—The Petroleum, Explosives and Arms Acts and the Carbide of Calcium and Cinematograph Film Rules are administered by the State Governments within their respective areas, on behalf of the Government of India and amounts equal to the fees realised under these Acts and Rules are paid to the State Governments to cover the expenditure on the administration of these Acts and Rules. The payments to the States, which are covered by corresponding credits in the Revenue estimates, are now estimated at Rs. 22 lakhs this year as well as next year, as compared to the original estimate of Rs. 16 lakhs.

Payment of States' share of Union Excise Duties.—Following the changes in accounting, payment of States' share of Union Excises, which has hitherto been recorded under the head "2.—Union Excise Duties" and treated as cost of collection of Union Excise Duties has been transferred to this head from next year onwards. States' share of these duties next year would exceed the current year's Revised by Rs. 1·23 crores.

Other Miscellaneous Contributions and Assignments.—This is a new head introduced from next year for recording the transfer of net proceeds of certain taxes and duties, like Terminal Tax, Entertainment Tax, Tax on Vehicles etc., to local bodies and Territorial Councils, which formerly formed part of the cost of collection of the taxes concerned. Budget next year includes Rs. 180 lakhs for payment of net proceeds of Terminal Tax to Delhi Municipal Corporation and other local bodies in Delhi, Rs. 36 lakhs for net proceeds of Entertainment Tax to Delhi Municipal

Corporation, Rs. 27 lakhs for net proceeds of Tax on Vehicles to the Delhi Municipal Corporation and other local bodies in Delhi and Rs. 19 lakhs for payment of net proceeds of certain taxes to the Territorial Councils of Himachal Pradesh, Manipur and Tripura.

EXTRAORDINARY ITEMS

This group head records extraordinary items which have to be distinguished from the ordinary expenditure. Details by heads of account are:—

(In lakhs of Rupees)

Heads	Budget 1960-61	Revised 1960-61	Budget 1961-62
Extraordinary Charges	10,00	5,00	10,55
Community Development Projects, National Extension Service and Local Development Works	23,22	23,37	..
Civil Defence	1	1	..
Pre-partition payments	52	44	32
TOTAL	33,75	28,82	10,87

Extraordinary Charges.—Provision is made under this head for transfer to the Special Development Fund of the assistance from U.S.A. under P.L. 480 received in the form of grants for which a credit is assumed on the receipt side. The grants now expected are Rs. 5 crores this year and Rs. 10 crores next year against the original expectation of Rs. 10 crores. Next year's budget also includes Rs. 55 lakhs on account of write back of the payment of Rs. 8·27 crores to the World Bank under the Indus Water Treaty. It has originally been charged to Capital and will be written back to Revenue over a period of 15 years.

Community Development, National Extension Service and Local Development Works.—As explained earlier, these are now a normal feature of administration and have accordingly been transferred to the group head "Social and Developmental Services" with effect from next year. The details of the provision in the current year are as follows:—

(In lakhs of Rupees)

	Budget 1960-61	Revised 1960-61
Grants for Community Development	16,50	16,86
Grants for National Extension Service	2,74	2,74
Expenditure on Community Projects and National Extension Service in Union territories	1,18	1,24
Re-payment of Capital Grants for Local Development Works	1,72	1,69
Other Items	1,08	84
TOTAL	23,22	23,37

Of the total provision next year Rs. 22·84 crores, Rs. 1·96 crores appears in Section "Social and Developmental Services" under the major head of the same nomenclature representing the expenditure in Union Territories and training institutes etc., run by the Central Government. The balance of Rs. 20·88 crores has been included as grants to States under the composite head.

Civil Defence.—As part of the accounting changes introduced with effect from next year, the major head "Civil Defence" is being abolished and the expenditure thereon provided under the head "Miscellaneous".

Pre-partition Payments.—Provision made under this head is in respect of claims relating to undivided India which are expected to be settled and discharged during the year. Progressive decline in the number of payments and adjustments in respect of outstanding cases relating to pre-partition period account for the decrease next year.

SECTION II

CAPITAL RECEIPTS AND DISBURSEMENTS

SECTION II

CAPITAL BUDGET

Introductory Notes

The estimates of the Receipts and Disbursements on Capital Account of the Central Government are explained in this Section. These cover receipts and disbursements connected with capital schemes undertaken by the Central Government, borrowings at home or abroad, in the form of regular loans, Prize Bonds, Annuity Certificates, Treasury Bills, Post Office Savings Bank including the Cumulative Time Deposits Scheme, the National Plan Savings Certificates issued through Post Offices and the Treasury Savings Deposit Certificates sold through the Public Debt offices, Treasuries and Sub-treasuries etc. They also cover a variety of other items such as State Provident Funds, investments of deposits of U.S. Government P.L. 480 counterpart funds, various deposits under the Income-tax Act, depreciation and reserve funds of departments like Railways and Posts and Telegraphs, and special *ad hoc* funds created from time to time by Government. It is difficult, in the compass of a brief note, to indicate fully the scope and variety of these miscellaneous items but details of these are given in Statement C of the Annual Financial Statement.

The capital requirements of Government are ordinarily met from four sources. Firstly, regular loans are floated and, in the case of short term requirements, treasury bills are issued, ordinarily for a period of 91 days at a time. Secondly, there is the flow of money through Postal Savings Bank and other Small Savings Schemes. Thirdly, there are the receipts into the various depreciation, reserve and other funds, and under the deposit heads including investment in special securities of P.L. 480 counterpart funds deposited by U.S. Government with the Reserve Bank of India. Fourthly, any sum provided in the revenue budget for reduction or avoidance of debt or for debt redemption is also available, as it is transferred to capital by debit to the revenue budget. To the extent to which the receipt from these sources is insufficient to meet the capital requirements, the deficit has to be made good from revenue, the accumulated cash balances, and if neither is available, by the sale of *ad hoc* treasury bills to the Reserve Bank. Conversely, any surplus of capital receipts over disbursements is available for covering a revenue deficit or for augmenting the cash balances of Government.

The statement on the following two pages summarises the capital transactions included in the budget for the current and ensuing years and indicates the sources from which capital requirements will be met.

SUMMARY OF CAPITAL

RECEIPTS

(In lakhs of rupees)

	Account, 1959-60	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
New Loans	5,65,95	581,21	523,84	620,95
15-Year Annuity Certificates	65	2,00	80	1,50
Special Floating Loan	71,43	..	3,45	3,45
Net receipts from :				
Treasury Bills	72,28	153,00	—35,00	125,00
Investment of U.S. Govt. Counterpart Deposit Funds	..	..	240,00	96,00
Treasury Savings Deposit Certificates	9,74	7,00	13,00	8,50
Post Office Savings Bank Deposits	25,77	24,00	35,00	35,50
12-Year National Plan Savings Certificates	68,90	79,00	70,50	76,00
Cumulative Time Deposits	76	2,00	1,75	2,45
Post Office Cash Certificates	—69	—20	—67	—55
National Savings Certificates	—20,97	—22,21	—19,09	—16,88
Defence Savings Certificates	—1	—2	—2	—2
National Plan Certificates	—1,24	—1,27	—1,05	—1,00
Other Unfunded Debt	23,77	39,24	40,54	39,69
Railway Depreciation, Revenue Reserve and Development Funds	—8,91	—14,36	—33,52	4,08
Telephone Development Fund	—99	—80	—35	—20
P. & T. Renewals Reserve and other Funds	33,47	2,75	5,71	5,03
Other Miscellaneous Reserve Funds	59	..	61	60
Appropriation for Reduction or Avoidance of Debt	5,00	5,00	5,00	5,00
Deposits under Income Tax Act (Net)	—14,03	—30	—9	—44
Discount Sinking Fund (Net)	54	2,14	1,21	1,91
Payment by Reserve Bank for Rupee Coin	5,00	5,00	5,00	5,00
Repayment of Loans by States	80,85	103,00	106,54	121,48
Other Loan Repayments	24,08	25,18	27,09	54,50
Other Deposits and Advances (Net)	61,03	161,27	139,45	127,75
TOTAL	972,97	1152,63	1130,60	1315,30
Deficit on Capital Account	7,75	..	..	..
	980,72	1152,63	1130,60	1315,30

TRANSACTIONS

DISBURSEMENTS

(In lakhs of rupees)

	Account, 1959-60	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
Capital Outlay				
Railways	74,69	120,81	123,62	160,00
Irrigation	8	26	31	37
Posts & Telegraphs	8,09	15,45	12,05	12,59
Schemes of Agricultural Improvement and Research	5,23	6,42	5,86	7,73
Industrial Development	58,60	94,71	98,70	107,15
Aviation	3,78	4,61	4,59	4,36
Broadcasting	65	1,00	1,00	3,30
Ports	1,26	2,25	1,66	2,38
Currency and Coinage	95,27	3,42	7,10	7,82
Mint	12	10	12	7
Delhi Capital Outlay	5,53	6,95	6,95	12,30
Multi-purpose River Schemes	4,25	2,70	1,09	3,35
Electricity Schemes	62	1,01	83	95
Civil Works	15,00	22,64	34,10	39,87
Commutation of Pensions	—42	—45	—26	58
Sterling Pensions	—3,68	—3,62	—3,62	—3,66
Defence Capital Outlay	36,11	37,74	36,25	32,01
Schemes of Government Trading	3,97	26,85	56,81	27,06
Development Grants	9,27	12,43	12,47	13,22
Compensation to Displaced Persons	—34	5,18	—84	1,50
Dandakaranya Development Scheme	2,23	6,06	5,68	5,40
Shipping, Tankers, etc.	34	1,45	30	1,75
Road and Water Transport Schemes	21	25	24	40
Indus Waters Treaty	..	..	8,27	7,72
Transfer of Development assistance from the Govt. of U.S.A.	35,15	73,57	76,38	74,70
Other Works	1,34	2,09	2,28	5,01
Other Civil Heads	17	53	66	94
Discharge of Permanent Debt	126,46	136,70	126,36	164,38
Discharge of Special Floating Debt	3,42	3,43	3,43	3,43
Inter-State Settlement	12	..	..	1,79
Advances to State Governments	275,47	331,51	334,60	395,18
Other Loans and Advances	217,73	176,74	159,23	161,25
TOTAL	980,72	1092,79	1116,22	1254,90
Surplus on Capital Account	..	59,84	14,38	60,40
	980,72	1152,63	1130,60	1315,30

NOTES ON CAPITAL TRANSACTIONS

RECEIPTS

New Loans.—The current Budget took credit for new loans amounting to Rs. 581·21 crores of which Rs. 250 crores were in respect of market loans to be floated in India including sale of Prize Bonds and the balance of Rs. 331·21 crores from foreign sources. The latter included Rs. 12·8 crores from UK, Rs. 161·36 crores from USA, Rs. 6·32 crores from IBRD, Rs. 13·5 crores from USSR, Rs. 13·23 crores from West Germany, Rs. 14 crores from Japan and Rs. 110 crores to be negotiated from various foreign sources.

Revised Estimates for new loans have been placed at Rs. 523·84 crores including sale of Prize Bonds. Of these, Rs. 180·70 crores are in respect of the two market loans actually floated during the year, namely, (i) 3½ per cent Bonds 1966 for Rs. 82·65 crores, and (ii) 4 per cent Loan 1980 for Rs. 98·05 crores. In addition, *ad hoc* Treasury Bills held by the Reserve Bank of India in their Issue Department of the value of Rs. 50 crores were converted on the 30th January, 1961, into further issues of 3½ per cent National Plan Bonds—Third Series (3½ per cent 1967) for Rs. 10 crores, 3¾ per cent National Plan Bonds—Fifth Series (3¾ per cent 1968) for Rs. 30 crores and 3½ per cent Bonds 1969 for Rs. 10 crores.

Foreign loans in the current year are estimated at Rs. 280·64 crores of which Rs. 39·97 crores are in respect of sterling loans, Rs. 137·77 crores from USA, Rs. 42·80 crores from IBRD, Rs. 13·74 crores from USSR, Rs. 38·36 crores from West Germany and Rs. 8 crores from Japan.

The Budget next year assumes a total credit of Rs. 620·95 crores. Of these Rs. 235 crores are in respect of new market loans to be floated in India, including sale of Prize Bonds and Rs. 385·95 crores from foreign sources. The latter include Rs. 27 lakhs from UK, Rs. 181·74 crores from USA, Rs. 17·59 crores from IBRD, Rs. 32·18 crores from USSR, Rs. 8·49 crores from West Germany, Rs. 13·65 crores from Japan, Rs. 1·03 crores from Czechoslovakia and Rs. 4 crores each from Poland and Yugoslavia, Rs. 3 crores from Switzerland and Rs. 120 crores to be negotiated from various foreign sources.

The Prize Bonds Scheme was introduced with effect from 1st April, 1960. The Bonds, which are bearer bonds, are issued in two denominations, *viz.* Rs. 100 and Rs. 5 and do not carry interest, but the holders participate in quarterly draws for prizes which are free of income-tax. All series from which there have been sales two calendar months before the month of the draw, participate in the draw. The total number of prize-winning bonds drawn every quarter is 40 in respect of each series of 1 lakh units of Rs. 100 bonds, the prizes ranging between Rs. 25,000 and Rs. 500 and 278 in respect of each series of 10 lakh units of Rs. 5 bonds, the prizes ranging from Rs. 7,500 to Rs. 50. Prizes in respect of the bonds sold two calendar months before the month of the draw are awarded and the others accrue to Government. There is no limit to individual holdings. The bonds will be repaid on or after 1st April, 1965.

Sales of the Prize Bonds during the current year are estimated at Rs. 12·5 crores. Budget assumes a sale of Rs. 10 crores.

15 *Year Annuity Certificates.*—These certificates are intended to cater for those who wish to secure regular monthly payment against a lump

sum investment. The first series were introduced with effect from 1st July, 1954, but were discontinued, on the introduction of a second series with effect from 2nd January, 1958. These are available in five denominations, namely, Rs. 1,330, Rs. 3,325, Rs. 6,650, Rs. 13,300 and Rs. 26,600 and secure for the investor a monthly payment free of income-tax of Rs. 10, Rs. 25, Rs. 50, Rs. 100 and Rs. 200 respectively, the return being 4·25 per cent as compared with 3·5 per cent on the earlier series. The maximum purchase by a single individual is limited to Rs. 26,600 and by two persons jointly to Rs. 53,200, but if the two series are taken together, the maximum limits are Rs. 28,000 and Rs. 56,000 respectively.

Sales of the Annuity Certificates during the current year are now estimated at Rs. 80 lakhs. Budget assumes a sale of Rs. 1·50 crores.

Special Floating Loan.—This head accommodates the credit taken for the special securities issued in payment of India's subscription to the International Monetary Fund, the International Bank for Reconstruction and Development and the International Development Association which was established during the year as an affiliate of the International Bank for Reconstruction and Development. India's subscription to the I.M.F. amounts to $ 600 million while that to the I.B.R.D. amounts to $ 800 million of which $ 80 million only have so far been called up. These subscriptions were payable partly in gold and partly in non-negotiable non-interest bearing rupee securities. Accordingly securities of the value of Rs. 249·89 crores and Rs. 33·93 crores have so far been issued to the I.M.F. and the I.B.R.D. respectively. India's membership of the I.D.A. involves a total subscription of Rs. 19·21 crores of which Rs. 4·42 crores were paid during the year and Rs. 3·70 crores are payable next year partly in U.S. dollar and partly in the form of non-negotiable non-interest bearing rupee securities. The value of the securities which were issued to the I.D.A. during the year and which are to be issued next year amounts to Rs. 3·45 crores each.

Treasury Bills.—A net expansion of treasury bills to the extent of Rs 153 crores was assumed in the original Budget. The expansion is now estimated at Rs. 15 crores. The improvement of Rs. 138 crores is the net result of several factors. The investment of US Government counterpart deposit funds accounts for an increase of Rs. 240 crores. The revenue deficit is expected to be less by Rs. 27 crores while the small savings collections are likely to improve by Rs. 10 crores. The opening cash balance of the year also exceeded the original estimate by Rs. 19 crores. This improvement of Rs. 296 crores will be partly offset by increased requirements under several heads. The capital expenditure is now expected to be Rs. 45 crores more, mainly for the purchase of foodgrains, payments under the Indus Waters Treaty and additional requirements of Border Roads and the Oil and Natural Gas Commission. Internal and external borrowings, excluding small savings, would be less by Rs. 94 crores while receipts under various Debt Heads would decrease by Rs. 19 crores. The net expansion of Rs. 15 crores will be converted into a net contraction of Rs. 35 crores on account of the conversion of *ad hoc* treasury bills of the value of Rs. 50 crores into dated securities to which a reference has been made already.

The net expansion of treasury bills next year is estimated to be Rs. 125 crores.

On the basis of these estimates, the total outstanding treasury bills, after taking into account the conversion of *ad hoc* bills of Rs. 300 crores in 1958-59, Rs. 150 crores in 1959-60 and Rs. 50 crores this year, would amount to Rs. 1263 crores and Rs. 1388 crores at the end of the current and next year respectively.

Investment of U.S. Government counter-part deposit funds.—The rupee equivalent of the dollar cost of surplus agricultural commodities imported under P.L. 480 of USA, together with 50 per cent of the ocean freight costs is deposited in the US Government Title Account in India. A major portion of the rupee deposits is to be made available to the Government of India as loans and grants for expenditure incurred on mutually agreed development projects and the balance is retained by the US Government for its own and other uses in India. Previously, these deposits were made mainly with the State Bank of India who, in turn, invested them in the Government of India securities and other market loans. The arrangement has since been changed with effect from the 12th May, 1960, and the counterpart funds are now deposited directly with the Reserve Bank of India who invest them in special securities of the Government of India on which interest at 1½ per cent is payable. These securities are non-negotiable and are payable on demand. It has been agreed that from the moneys previously deposited with the State Bank of India, Rs. 12 crores will be transferred to the Reserve Bank of India monthly for a limited period. The net investment in the special securities during the current year is expected to be of the order of Rs. 240 crores, including Rs. 108 crores transferred from the State Bank of India. The net credit next year on this account is likely to be of the order of Rs. 96 crores, including Rs. 36 crores transferred from the State Bank of India.

Treasury Savings Deposit Certificates.—These certificates are issued in multiples of Rs. 50 and entitle the investor to an annual interest of 3·5 per cent free of income tax for those issued before the 1st June, 1957 and 4 per cent for those issued thereafter. The certificates run for 10 years but can be encashed after an initial lock-up period of 1 year on refunding a part of interest drawn on them. Interest at 3·5 per cent is also paid for each complete year for which the certificates are retained after maturity subject to a maximum of 5 years. An individual can purchase these certificates upto Rs. 25,000 in his name and upto Rs. 50,000 jointly with another person. Charitable institutions are allowed to invest upto Rs. 1 lakh whereas for other institutions, the limit is Rs. 50,000. Provident Fund moneys can be invested in the certificates without limit.

The initial issue of 3·5 per cent Treasury Savings Deposit Certificates started maturing towards the close of the current year. The Budget took credit for a net sale of Rs. 7 crores. The revised estimate has been placed at Rs. 13 crores mainly as a result of larger sales and lesser discharges of the maturing certificates. Budget assumes a net credit of Rs. 8·50 crores.

Post Office Savings Bank Deposits.—The Post Office Savings Bank Deposits carry interest at 2½ per cent, free of income-tax, on balances up to Rs. 10,000 (Rs. 20,000 in the case of joint accounts) and 2 per cent, free of income-tax, on balances exceeding Rs. 10,000 (Rs. 20,000 in the case of joint accounts). The maximum deposit for one person in the Post Office Savings Bank is Rs. 15,000 and for two persons jointly Rs 30,000. No limits are applicable for public accounts on which interest is paid at 2 per cent.

Current year's budget assumed a net credit of Rs. 24 crores. This is now likely to improve to Rs. 35 crores including the adjustment of Rs. 9·52 crores on account of interest.

The next year's budget takes net credit of Rs. 35·5 crores for the Post Office Savings Bank Deposits including Rs. 10·47 crores on account of interest.

12-year National Plan Savings Certificates.—These certificates are issued in denominations of Rs. 5, Rs. 10, Rs. 50, Rs. 100, Rs. 500, Rs. 1,000, Rs. 5,000 and Rs. 25,000 and yield a return, on maturity, of 5·41 per cent simple or 4·25 per cent compound. The certificates run for 12 years but can be encashed prematurely after an initial lock-up period of one year on varying rates of interest depending upon the period for which they are held. An individual, a bank, a company and a registered firm can purchase these certificates up to Rs. 25,000 while two individuals can jointly purchase up to Rs. 50,000. Co-operative societies, other than banks, local authorities and registered associations donations to which are exempt from payment of income-tax, are allowed to invest up to Rs. 1 lakh. Provident Fund moneys can be invested without limit.

Current year's budget assumed a net credit of Rs. 79 crores on account of the sales of these certificates. On the trends of latest actuals, net sales this year are now expected to be Rs. 70·50 crores. Budget allows for some improvement and places the net credit at Rs. 76 crores.

Cumulative Time Deposits Scheme.—This scheme is intended to cater for those who have regular incomes and who wish to save every month. It provides for monthly deposits in all Post Offices doing Savings Bank work, for a period of five or ten years. These are repayable at the end of the period of the account with compound interest yielding a return, free of income tax, of about 3·3 per cent per annum in the 5-year account and 3·8 per cent per annum in the 10-year account. Deposits are accepted in denominations of Rs. 5, Rs. 10, Rs. 20, Rs. 50, Rs. 100 and Rs. 200, the maximum limit being Rs. 200 per month in a 5-year account or Rs. 100 per month in a 10-year account. Withdrawals in multiples of Rs. 10 totalling not more than 50 per cent of the deposits made into the account are allowed once in the case of a 5-year account and twice in the case of a 10-year account provided the account has been in operation for at least one year.

Current year's Budget assumed a net deposit of Rs. 2 crores. On the latest trend of actuals, the net deposits under this scheme during this year, are estimated at Rs. 1·75 crores. The collections are expected to improve next year as a result of the various measures taken to increase the accounts and accordingly the next year's Budget takes a net credit of Rs. 2·45 crores.

Post Office Cash Certificates.—The issue of these certificates was discontinued with effect from the 15th June, 1947. Repayments this year and next year are estimated at Rs. 67 lakhs and Rs. 55 lakhs respectively.

National Savings Certificates.—The issue of these certificates was discontinued with effect from 1st June, 1957, on the introduction of the 12-year National Plan Savings Certificates to which a reference has been made earlier. Repayments this year and next year are estimated at Rs. 19·09 crores and Rs. 16·88 crores respectively including Rs. 4 lakhs this year and Rs. 3 lakhs next year on account of discharges of State Savings Certificates issued by the former Hyderabad State.

Defence Savings Certificates.—These Certificates, which were issued during the last war, were discontinued in October, 1943, when National Plan Certificates were introduced. The total discharges are estimated at Rs. 2 lakhs both this year and next year.

National Plan Certificates.—These Certificates were discontinued with effect from 1st June, 1957, on the introduction of the 12-year National Plan Savings Certificates. The total discharges are estimated at Rs. 105 lakhs this year and Rs. 100 lakhs next year.

Other Unfunded Debt.—The transactions mainly relate to State Provident Funds and provision has been made for the net excess of anticipated credits over debits. The rate of interest allowed to the subscribers to these funds except some earlier subscribers who are entitled to a minimum guaranteed rate of 4 per cent is determined every year on the basis of the average redemption yield during the five calendar years immediately preceding, on all Government of India rupee loans, with unexpired maturity exceeding five years, rounded off to the nearest quarter. The rate for the current year is $3\frac{3}{4}$ per cent.

A net credit of Rs. 39·24 crores was assumed in the current year's estimates after taking into account the introduction of compulsory Provident Fund for all employees of the Central Government including those paid from the P. & T., Railways and Defence Services Estimates and payment into the Provident Fund of the increases sanctioned under the Pay Commission's recommendations for the period 1st July 1959 to 31st October 1959. Revised Estimate is now placed at Rs. 40·54 crores, the increase being mainly the result of the transfer of deferred pay accumulations of the Defence Services personnel to their Provident Fund accounts, partly counter-balanced by lesser credits due to the subsequent decision to pay in cash instead of into the Provident Fund the entire increases for the period 1st July 1959 to 31st October 1959. Next year's estimates assume a net credit of Rs. 39·69 crores, the decrease being due to the absence of provision for credit of compulsory Provident Fund deductions on the arrears relating to the current year.

Railway Depreciation, Revenue Reserve and Development Funds.—Provision has been made for the anticipated transactions details of which appear in the Railway Budget.

Telephone Development Fund.—Rentals for 20 years recovered in advance from subscribers who elect to own their telephones are credited to this Fund to be utilised for financing capital expenditure on telephones. The amounts collected are initially credited to revenue and corresponding amounts are transferred to the Fund through the expenditure head. The appropriations from the Fund are taken in reduction of the capital expenditure on Posts and Telegraphs.

The credits to this Fund this year are now estimated at Rs. 95 lakhs and withdrawals at Rs. 130 lakhs. Next year's estimates assume a credit of Rs. 80 lakhs to the Fund and Rs. 100 lakhs as withdrawals.

P. & T. Renewals Reserve and Other Funds.—The details are:—

(In lakhs of rupees)

	Budge, 1960-61	Revised, 1960-61	Budget, 1961-62
P & T Renewals Reserve Fund			
Credit	4,82	7,59	7,26
Debit	2,09	1,90	2,23
Net (+)	2,73	5,69	5,03

(In lakhs o f rupees)

	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
P & T Development Fund			
Credit	1	1	..
Debit	..	..	..
P & T Revenue Reserve Fund			
Credit	1	1	..
Debit	..	..	..
TOTAL (+)	275	5,71	5,03

The P. & T. Department would be paying, in accordance with the revised arrangement which takes effect from the current year, a dividend to the general revenues, at the rate in force from time to time for the Indian Railways, on the mean capital at charge during the year and retain the balance of the surplus after payment of dividend for strengthening its Reserves, particularly the Renewals Reserve Fund. Increased provision has been made in the Revised Estimates for credit to the Renewals Reserve Fund as a result of anticipated improvement in the net surplus of the P. & T. Department a reference to which has been made in Section I (Revenue Estimates). The withdrawals are also lesser than anticipated. The Fund next year takes a credit of Rs. 7·26 crores on the basis of the likely surplus of the P. & T. Department while withdrawals have been assumed at Rs. 2·23 crores. The P. & T. Development Fund and P. & T. Renewals Reserve Fund are being credited with a nominal amount of Rs. 1 lakh each for which provision was made in the original Budget but no credit has been assumed in the next budget as the entire surplus would be utilised for strengthening the Renewals Reserve Fund.

Other Miscellaneous Reserve Funds.—This head accommodates transactions relating to the Reserve Funds of the various Commercial Departments of the Government of which the important ones are General Reserve Fund (Lighthouses and Lightships), Depreciation Reserve Fund (Salt), Depreciation Reserve Fund (Overseas Communications Service) and Depreciation Reserve Fund (Visakhapatnam Port).

Appropriation for Reduction or Avoidance of Debt.—Credit has, as usual, been taken under this head for the transfer from revenue in each year of a sum of Rs. 5 crores for Reduction or Avoidance of Debt.

Deposits under Income-tax Act (Net).—Current year's Budget assumed a net withdrawal of Rs. 30 lakhs in respect of the deposits under the Income-tax Act against which the net withdrawals are now estimated at Rs. 9 lakhs this year and Rs. 44 lakhs next year.

Discount Sinking Fund (Net).—When loans are issued at discount, the discount is debited to this head and credit for face value of loan taken under "Permanent Debt". The discount initially taken to this head is written back to revenue and debited to "Interest" over the period for which the loan is issued. Current Budget assumed a net credit of Rs. 2·14 crores for the write back to revenue of the discount on the loans floated in earlier years. The head has been debited by Rs. 93 lakhs on account of discount on the new loans floated during the current year. Thus, the net credit is now estimated at Rs. 1·21 crores. Budget at

Rs. 1·91 crores provides for write back to the revenue of discount on loans floated up to the end of the current year. Following the usual practice, no provision has been included in the Budget for the discount on the new loans to be floated next year as the terms of the loans are settled only at the time of their issue.

Payment by Reserve Bank for Rupee Coin.—Credit is taken here for the usual payment of Rs. 5 crores by the Reserve Bank of India under Section 36 of the Reserve Bank Act, 1934 for rupee coin taken by it from Government.

Repayment of Loans by States and other Loan repayments.—The principal portion of all repayments is taken here and interest receipts adjusted in reduction of expenditure under "20 Interest" in the case of States and as revenue under "XX—Interest" in other cases. Increased credit next year reflects the repayments of larger loans given to States and other parties in recent years.

Other Deposits and Advances (Net).—The estimates here show the net effect of transactions occurring under all other sundry Deposit, Suspense, Remittance, etc. heads not dealt with earlier.

DISBURSEMENTS

As explained in the Notes on expenditure met from revenue, these figures do not agree with those given in the Demands for Grants which are for gross amounts excluding recoveries and where the same major head might appear in more than one Demand. The variations in the figures by major heads given in the Summary of Capital Transactions are explained below:—

Railways.—Details appear in the Railway Budget.

Posts and Telegraphs.—The details are:—

	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
			(In lakhs of Rupees)
Postal	92·11	97·88	1,16·28
Telegraphs	6,17.91	3,99·75	4,36·37
Radios	23.98	16·27	12·29
Telephones	9,61.00	8,26·10	8,02·06
Deduct—Amount met from Telephone Development Fund	—1,50.00	—1,30·00	—100·00
Deduct—Extraordinary receipts on capital account	..	—4·53	—8·21
	15,45.00	12,05·47	12,58·79

Irrigation.—Provision relates to certain irrigation and flood control works in the Union Territories of Delhi, Tripura and Himachal Pradesh.

Schemes of Agricultural Improvement and Research.—Provision is made under this head for contributions to the National Co-operative Development and Warehousing Board, Central as well as State Warehousing Corporations and towards the share capital of Co-operative Societies in Union Territories and capital expenditure on various schemes

for development and research in agriculture such as Grow More Food Campaign in Union Territories, development of marine fisheries and expansion of various research institutions, such as, the Indian Agricultural Research Institute, the Central Rice Research Institute, National Sugar Institute and Central Control Laboratories. Provision is also included under this head for capital expenditure on the Delhi Milk Supply Scheme other than stock-in-trade and trading operations and the Central Mechanical Farm, Suratgarh.

The decrease in the Revised is due mainly to lesser contribution to the National Co-operative Development and Warehousing Board following the decrease in the loan requirements of States for schemes of co-operation (Rs. 31 lakhs) and lesser expenditure on the Central Mechanical Farm Suratgarh (Rs. 13 lakhs). The increase in the Budget is mainly due to provision of Rs. 1·30 crores for contribution to the Central and State Warehousing Corporations, expenditure on marine fisheries (Rs. 14 lakhs) and National Sugar Institute (Rs. 12 lakhs) and provision for purchase of equipment and aeroplanes for strengthening the Plant Protection Organisation (Rs. 8 lakhs).

Industrial Development.—Details of the provisions are indicated below:—

	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
		(In lakhs of Rupees)	
Department of Atomic Energy—			
1. Acquisition of Land	109.00	13·34	69·00
2. Buildings, Roads and other Constructions.	227.00	161·26	288·11
3. Development and other miscellaneous Expenditure	59.38	42·31	86·96
4. Canada-India Reactor	30.00	92·00	15·53
5. Pilot Plant at Ghatsila	·50	·50	..
6. "Apsara" Reactor	2.00	2·50	..
7. Thorium Uranium Plant	1.00	..	·50
8 Uranium Metal Plant	.50	2·50	..
9. Zerlina Reactor	7.00	8·00	3·00
10. Uranium Ore Mill	10.00	..	2·00
11. Stocks and Suspense	10.00	40·00	10·00
12. Cosmic Ray Research Laboratory	6.00	4·00	4·00
13. Nuclear Power Station	36.00	15·00	45·00
Ministry of Commerce and Industry—			
14. Institute of Small Scale Industries	19.00	16·92	23·92
15. Govt. Machine Tools Training Centre, Bangalore	3.75	..	..
16. Investment in Hindustan Organic Chemicals Ltd.	..	40·00	65·00
17. Investment in Diesel Engine Factory	.01	..	..
18. Investment in Precision Instruments.	..	..	1·00

(In lakhs of Rs.)

	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate 1961-62
19. Investment in Hindusthan Photo Film Manufacturing Company Ltd.	..	15·00	65·00
20. Purchase of shares of Hindustan Chemicals and Fertilisers Ltd.	888.00	654·00	..
21. Purchase of shares in Heavy Electricals Ltd.	885.00	950·00	100·00
22. Purchase of shares in Hindustan Heavy Engineering Corporation	500.00	500·00	2000·00
23. Development of Salt Works	14.14	7·50	8·50
24. Drugs and Pharmaceuticals Projects	60.00	1·00	..
25. Bayers Intermediate Project	10.00	..	..
26. Rehabilitation Industrial Corporation.	..	..	25·00
27. Hindustan Salt Ltd.	..	..	55·00
28. Heavy Plates and Vessels Project	5.00	1·00	10·00
29. Naharkatiya Fertilizers Project	5.00	..	..
30. Heavy Structurals Project	5.00	1·00	10·00
31. Purchase of Shares of Drugs Corporation.	..	..	60·00
32. Purchase of shares of Fertilizers Corporation of India Ltd.	..	36·00	..
33. Purchase of shares of Indian Hindicrafts Development Corporation.	..	3·00	2·00
34. Purchase of shares of Hindustan Machine Tools Ltd.	..	30·00	70·00
35. Purchase of shares of National Industrial Development Corporation.	10·00	25·00	45·00
Ministry of Scientific Research & Cultural Affairs—			
36. Grant to the Council of Scientific and Industrial Research	280·00	231·00	310·00
37. Equipment for the Indian School of Mines and Applied Geology	6·86	3·50	3·50
38. Equipment for Oceanographic Reseach Wing	1·00	·50	·75
39. Instruments & Equipments for Geophysical Research Wing	3·00	1·25	2·00
Ministry of Finance—			
40. Purchase of shares of Punjab Financial Corporation	..	..	5·00
41. Investment in British India Corporation	..	..	51·00

(In lakhs of Rs.)

	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate 1961-62
Ministry of Rehabilitation—			
42. Rehabilitation Industries Corporation	30·00	10·00	..
Ministry of Steel, Mines and Fuel—			
43. Purchase of Shares in Bolani Ores Ltd.	5·05	..	5·05
44. Investment in Mysore Iron & Steel Corporation	1·00	1·00	25·00
45. Purchase of shares of the Indian Oil Company Ltd.	10·00	55·00	150·00
46. Oil Exploration Scheme	28·79	8·97	..
47. Equipment for the Bhilai Project	·10	..	..
48. Investment in Oil India Ltd.	433·00	200·00	142·00
49. Purchase of Shares of Sikkim Mining Corporation	..	7·35	10·29
50. Purchase of Shares in Neyveli Lignite Corporation.	1980·00	2080·00	2200·00
51. Purchase of Shares in National Coal Development Corporation	1317·00	1173·00	900·00
52. Purchase of Shares in Orissa Mining Corporation	2·50	2·50	6·00
53. Purchase of Shares of National Mineral Development Corporation	80·00	140·00	175·00
54. Purchase of Shares of Indian Refineries Ltd.	600·00	600·00	400·00
55. Establishment of an Alloy and Tool Steel Plant	25·00	—1·80	..
56. Indian Mining & Construction Co. Ltd.	—2·00	—2·00	..
57. Oil and Natural Gas Commission	850·00	1644·00	2150·00
58. Cost of implementing Govt.'s decision on Pay Commission's Report	·72	..	..
59. Removal of overburden of Govt. collieries transferred from Capital	..	—123·57	..
Ministry of Transport and Communications—			
60. Eastern Shipping Corporation	180·00	180·00	200·00
61. Western Shipping Corporation	275·00	565·00	250·00
62. Investment in the Air India International Corporation	193·00	171·00	205·00
63. Investment in the Indian Air Lines Corporation	175·71	175·71	187·00
64. Overseas Communications Service	42·36	23·48	32·94
65. Establishment of Second Shipyard	11·00	20·00	60·00
66. Hindusthan Shipyard Ltd.	38·00	28·00	120·38
67. Purchase of shares of Hindusthan Teleprinters Ltd.	..	8·80	50·00

(In lakhs of Rupees)

	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
Ministry of Works, Housing and Supply—			
68. Purchase of shares of Hindustan Housing Factory Ltd.	·01	..	..
69. Purchase of shares of Hotel Janpath	·01	..	..
70. Investment in Building Construction Corporation.	1·00	5·00	10·00
71. Investment in Government Housing Factory	·01	·01	·01
TOTAL	9471.40	9869·53	10715·44

The increase in the Revised is mainly due to larger requirements of the Oil and Natural Gas Commission as a result of increased tempo of work following the discovery of oil at Cambay and Ankaleswar and for making preparatory purchases for the Third Five Year Plan programmes (Rs. 7·94 crores); Western Shipping Corporation in connection with the purchase of a ship (Rs. 2·90 crores) and Neyveli Lignite Corporation, to meet the cost of equipment for the Thermal Power Station (Rs. 1 crore) and the requirements of three newly set up companies, *viz.* the Hindustan Organic Chemicals Ltd., Hindustan Photo Film Manufacturing Company Ltd. and Hindustan Teleprinters Ltd., partly counter-balanced by lesser requirements of Hindustan Chemicals and Fertilisers Ltd. (Rs. 2·34 crores); Oil India (Private) Ltd. (Rs. 2·33 crores); National Coal Development Corporation (Rs. 1·44 crores) and the Department of Atomic Energy (Rs. 1·11 crores) mainly due to delay in payment of Compensation for fund acquired at Trombay.

The inrease in the Budget is mainly due to additional requirements of the Heavy Engineering Corporation in connection with their Heavy Machine Building, Opthalmic Glass and Foundry Forge Projects (Rs. 15 crores); Oil and Natural Gas Commission for the Third Five Year Plan programmes of exploration and exploitation of oil resources (Rs. 5 crores); Department of Atomic Energy in connection with the expenditure on payment of compensation for land acquired, Nuclear Power Stations, Uranium Ore Mill and By—product Recovery Plant (Rs. 1·43 crores); Neyveli Lignite Corporation (Rs. 1·20 crores); Indian Oil Company (Rs. 95 lakhs) and Drugs Corporation (Rs. 60 lakhs) and increased grants to CSIR (Rs. 79 lakhs), partly counterbalanced by lesser requirements of Heavy Electricals Ltd.; Hindustan Chemicals and Fertilisers Ltd. and Western Shipping Corporation and Indian Refineries Ltd. due to completion of Nunmati Refinery. The Budget Estimates include under the Ministry of Finance provision for purchase of shares of the British India Corporation, Kanpur. The purchase was made during the current year by debit to the Cash Balance Investment Account which is proposed to be transferred to Capital next year.

Aviation.—Provision is made under this head for works at the international and other airports in the country. The saving in the Revised is mainly due to delay in the receipt of equipment and stores required for aviation works partly counterbalanced by larger expenditure due to accelerated progress at certain international airports. Next year's estimates make provision on the basis of works provided in the Third Five

Year Plan and the decrease is mainly due to completion of works undertaken.

Broadcasting.—Provision is made under this head for the capital requirements of the various transmitting stations of the All India Radio, the details of which are given in the Demands for Grants. The increase next year is mainly due to provision for implementation of the Medium Wave expansion of Broadcast coverage in the country to function as relaying transmitters for the main regional stations.

Ports.—Provision is included under this head for the development of Vishakhapatnam and Kandla Ports and of minor ports in Andaman-Nicobar Islands and of the township of Gandhidham. The details of the provision are as follows:—

(In lakhs of Rupees)

	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
Kandla Port	122·48	83·00	106.00
Gandhidham	19·50	9·81	10·50
Vishakhapatnam Port	77·00	67·97	112·00
Andaman-Nicobar Islands	5·38	4·80	9·00
Implementation of Pay Commission's Report	·84	..	..
TOTAL	225·20	165·58	237·50

The decrease in the Revised in respect of Kandla Port is mainly due to delay in the starting of work on the sixth-berth and oil jetty and lesser requirements for the purchase of dredger and fire float. Provision for expenditure on these schemes, for construction of additional staff quarters at Kandla, on the Four-berth scheme at Vishakhapatnam, for development of Andaman-Nicobar Islands minor ports and purchase of dredger explain the increase next year.

Currency and Coinage.—Details of the provision are as follows:—

(In lakhs of Rupees)

	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
(a) Purchase of metal for coinage	81·38	27·44	7·66
(b) Subscription to International Development Association	..	441·93	369·88
(c) Purchase of gold	279·12	275·00	275·00
(d) Payment to Reserve Bank against Hyderabad Currency Note Liability taken over by the Bank	—60·00	—60·00	—60·00
(e) Currency Note Press	31·10	22·82	32·11
(f) Security Paper Mill	10·00	2·00	156·66
(g) Other Miscellaneous Charges	·25	1·23	·76
TOTAL	3,41·85	7,10·42	7,82·07

(a) *Purchase of metal for coinage (Net).*—The expenditure on the purchase of metal for coinage (net) is debited to the head 'Capital Outlay on Currency and Coinage' to which is credited the value of metal actually used for coinage etc. Against the current Budget provision of Rs. 230·25 lakhs for the purchase of metal, the requirements are now estimated at Rs. 179·09 lakhs mainly due to less import in view of foreign exchange difficulties. Provision of Rs. 193·50 lakhs has been made in the next budget. Current Budget assumed a credit of Rs. 148·87 lakhs on account of metal actually used for coinage. The credit now estimated is Rs. 142·65 lakhs this year and Rs. 185·84 lakhs next year.

(b) *Subscription to International Development Association.*—Provision for subscription to the International Development Association, an affiliate of the World Bank, which has been newly set up to supplement the activities of the latter in the field of giving assistance to member-countries for Development Projects, is made under this head. The subscription is payable partly in US dollars and partly in the form of non-negotiable, non-interest bearing rupee securities credit for which is taken, on the Receipts side, under the 'Special Floating Loan'. Payment during the current year amounted to Rs. 441·93 lakhs for which a supplementary grant was taken in the August-September, 1960, session of Parliament. Provision has been made in the next year's Budget for payment to the Association of Rs. 369·88 lakhs partly in the form of US dollars and partly in the form of non-negotiable, non-interest bearing rupee securities as in the current year.

(c) *Purchase of gold.*—Provision of Rs. 279·12 lakhs was made in the Budget for the purchase of gold produced at the Kolar and Hutti Gold Mines, Mysore, at the official rate of Rs. 62·5 per tola. It is now estimated that a sum of Rs. 275 lakhs both this year and next year, will be required for this purpose.

(d) *Payment to Reserve Bank against Hyderabad Currency Note Liability taken over by the Bank.*—The expenditure amounting to Rs. 8·96 crores incurred in connection with the replacement of the O.S. currency of the former State of Hyderabad by Indian Government currency and initially debited to the head 'Capital Outlay on Currency and Coinage' is written back to revenue in 15 instalments. The recovery this year as well as next would amount to Rs. 60 lakhs each the corresponding provision in Revenue Section appearing under the head 'Currency'.

(e) *Currency Note Press.*—The decrease in the Revised is mainly due to less expenditure on construction of buildings. Increase in the Budget is due to provision for buildings and plant and machinery for the new Currency Note Press, construction of a labour colony and acquisition of Distillery Estate from the Government of Maharashtra.

(f) *Security Paper Mill.*—The decrease in the Revised is due to less expenditure as a result of a change in the site selected for the Mill. Provision has been made in the Budget for charges payable to the consultants with whom an agreement is being negotiated.

Mint.—This head provides for expenditure on land, buildings, plant and machinery and stores of the Government of India Mints and Silver Refinery. The increase in the Revised is due to expenditure for machinery etc. required for the manufacture of metric weights and measures. Absence of provision on this item explains the decrease in the next Budget.

Delhi Capital Outlay.—Cost of construction of buildings in New Delhi and Delhi is booked under this head. The details or works have, as usual, been given in the Annexure to the Demand for Delhi Capital Outlay.

Multi-purpose River Schemes.—Provision is made here for the Centre's share of the capital outlay on the Damodar Valley Corporation and for the Central Water and Power Research Station, Poona. The decrease in the Revised is due to less requirements of the Damodar Valley Corporation as well as the Central Water and Power Research Station partly counterbalanced by the requirements of the newly set up Power Engineering Research Institute, Bangalore. Next year's Budget includes provision of Rs. 305 lakhs for the Damodar Valley Corporation, Rs. 20 lakhs for the Central Water and Power Research Station, Rs. 6 lakhs for the Power Research Institute, Bangalore, and Rs. 3·5 lakhs for technical training centres.

Electricity Schemes.—The details of the provision are as follows:—

	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
		(In lakhs of Rupees)	
Electricity Supply Schemes in :—			
Andamans	3·00	·60	3·65
Tripura	8·11	11·70	7·07
Mainpur	15·50	12·00	28·50
Himachal Pradesh	41·95	41.95	39·50
North East Frontier Agency	9·75	3·80	6·50
Laccadive etc., Islands	1·32	·50	1·50
Naga Hills—Tuensang Area	11·10	7·50	6·75
TOTAL	90·73	78·05	93·47

Civil Works.—The provision included under this head relates to capital expenditure on roads and buildings, the latter at places other than Delhi. A broad analysis of the sums provided in the Revised and Budget Estimates is given below:—

(In lakhs of Rupees)

	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
National Highways, Border Roads and other Roads	15,25·00	26,21·00	32,17·09
Construction of houses for displaced persons	—1,04·00	—54·00	—1,23·00
Other buildings	8,42·59	8,42·59	8,93·00
TOTAL	22,63·59	34,09·59	39,87·09

Increase in the Revised is mainly due to expenditure on construction of border roads, for which a supplementary grant was obtained in the August-September 1960 session of Parliament, partly counterbalanced by reduced provision for construction of National Highways. Increase in the Budget is on account of larger provision for construction of border roads and National Highways.

A gross provision of Rs. 1·46 crores was made in the current Budget for construction of houses for displaced persons including transfer of the assets of the Faridabad township. Provision was also made for a recovery of Rs. 2·5 crores as cost of Government buildings transferred to displaced persons in lieu of compensation. The extent of Government buildings transferred to displaced persons in lieu of compensation is now expected to be Rs. 2 crores only.

Next year's budget provides for a gross expenditure of Rs. 77 lakhs, the reduced provision being mainly due to absence of provision for transfer of the assets of the Faridabad township and a recovery of Rs. 2 crores as cost of Government buildings transferred to displaced persons.

The details of the major works in respect of buildings are, as usual, given in the Annexure to the Demand for Capital Outlay on Buildings.

Other Works.—Current year's Budget included Rs. 2·09 crores for the construction of food storage godowns. The requirement during the current year is now estimated at Rs. 2·28 crores and Rs. 5 crores next year.

Commutation of Pensions.—This head records the expenditure on commutation of pensions which depends upon the applications for commutation received and sanctioned. Provision is, accordingly, made on the trend of actuals and such other information as might be available with the Accounts Officers.

The payments are, in the first instance, debited to the Capital head and then written back to revenue by a system of equated payment of principal and interest spread over 15 years. The gross payments estimated this year are Rs. 66·46 lakhs as against Rs. 46 lakhs assumed in the Budget, the recoveries on account of equated instalments and from State Governments being Rs. 92·4 lakhs as against Rs. 90·5 assumed in the Budget. Increased provision of Rs. 150 lakhs has been made in the next year's Budget for gross payment mainly on account of the scheme for the commutation of pensions of other ranks of Defence Services. The recoveries next year are anticipated to be Rs. 92·22 lakhs.

Sterling Pensions.—The payment made to the U.K. Government for purchase of annuities to meet India's Sterling Pensions under the Sterling Balances Agreement, 1948, was debited to this head. These pensions have since been transferred with effect from 1st April, 1955, to the U.K. Government who have agreed to repay in 10 equal annual instalments commencing from 1st April, 1955, the outstanding balance on that date under this head less the capital value of the estimated future costs of the pensions transferred to them. The amount refundable by the U.K. Government has been provisional assumed to be £ 40 million (Rs. 53·33 crores). The instalments payable on the 1st April of each of the four years from 1958 to 1961 amounting to £ 16 million (Rs. 21·3 crores) were paid in advance in one lumpsum on 1st April, 1958. A further sum of £ 10 million towards the instalments payable on 1st April, 1962 and 1963 and one-half of the instalment payable on 1st April, 1964 (Rs. 13·3 crores) was paid in February, 1959.

The net debit outstanding under the Capital head on 31st March, 1955, was Rs. 172 crores of which Rs. 53·33 crores were to be refunded by the U.K. Government. The balance representing the capital value of the estimated future costs of the pensions transferred to the U.K. Government has to be written back to revenue in annual equated instalments of principal and interest over a period of 30 years, after recovering the share due from State Governments, commercial departments, and the Defence Services.

The estimated recoveries on account of principal, to be credited to this head in the current and next year, are as follows:—

(In lakhs of Rupees)

	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
Amount refundable by the U. K. Government	..	..	..
Share recoverable from the States	—61·48	—61·48	—62·10
Share debitable to Defence Estimates	—238·70	—238·70	—241·09
Share recoverable from P. & T.	—4·89	—4·89	—4·94
Amount recoverable from Railways	—4·06	—4·06	—4·10
Amount met from Revenue (Civil)	—53·44	—53·44	—53·97
TOTAL	—362·57	—362·57	—366·20

Defence Capital Outlay.—Details appear in the Defence Budget. Budget this year provided for a gross expenditure of Rs. 39·64 crores. The Revised Estimate has been placed at Rs. 37·35 crores mainly due to less purchases of stores from abroad. The next year's estimates have been placed at Rs. 33·01 crores, the decrease being mainly due to less payments on account of purchase of vessels. Credit has been taken under this head for Rs. 1·10 crores this year and Rs. 1 crore next year on account of sale-proceeds of surplus stores.

Schemes of Government Trading.—This head accommodates the receipts and payments in connection with the various schemes of Government trading, the more important of which are the purchase of foodgrains, fertilisers, iron and steel, the Medical Stores Depots and the Delhi Milk Supply Scheme. The Revised shows a net increase of Rs. 39·97 crores due to increased purchase of foodgrains mainly under P.L. 480 and arrear payments for shipments received towards the closing months of the previous year (Rs. 33 crores) and advances to State Governments towards the cost of foodgrains internally procured (Rs. 3 crores) for which a supplementary grant is being obtained partly counterbalanced by increased recoveries on account of sale proceeds of foodgrains and advances paid to State Governments (Rs. 6 crores). The net profit under the Delhi Milk Supply Scheme is now expected to be Rs. 12·2 lakhs as against Rs. 32·6 lakhs assumed in the budget. The profit on the import of iron and steel under the TCA and Development Assistance Programmes is now anticipated to be Rs. 1 crore as against Rs. 1·27 crores assumed in the budget. These increases in net expenditure are, however, counterbalanced by reduced net requirements of Medical Stores Depots (Rs. 15 lakhs). Provision has also been made for the transfer to Revenue of profit under the scheme for purchase of woollen goods (Rs. 1·50 crores), of profit on the sale of imported and indegenous sugar (Rs. 22·5 lakhs) and on acquisition of frustrated cargo (Rs. 30 lakhs).

Budget next year in respect of schemes of Government trading is expected to result in a net decrease of Rs. 29·75 crores as compared to

the current year's Revised mainly due to lesser gross outlay on the trading operations of foodgrains (Rs. 215 crores as against Rs. 243 crores in the current Revised) Larger profits on sale of fertilisers (Rs. 8 crores as against Rs. 5 crores in the current Revised) and under the Delhi Milk Supply Scheme (Rs. 37·5 lakhs as against Rs. 12·2 lakhs, in current Revised due mainly to larger sales). These savings will, however, be partly counterbalanced on account of a net outlay of Rs. 19 lakhs on the import of iron and steel next year instead of a profit of Rs. 1 crore in the current Revised and a larger write back to revenue of the trading losses on foodgrains *viz.* (Rs. 9·5 crores as against Rs. 8·5 crores in the current year). Provision has also been made for the transfer of profit on sale of indigenous sugar (Rs. 50,000) and of the credit balance under the scheme for purchase of raw silk from Japan (Rs. 3·97 lakhs).

Payments under the Indus Waters Treaty.—Payments made to the International Bank for Reconstruction and Development for the credit of the Indus Basin Development Fund established and administered by the Bank in terms of the Indus Waters Treaty, 1960, towards the cost of replacement works to be constructed in Pakistan as a result of the allocation of the waters of the Indus Basin in terms of the Treaty, are debited to this head. The contribution payable by India under the Treaty amounting to Rs. 82·75 crores approximately is to be paid in 10 equal annual instalments on the 1st November of each year. The first instalment was, however, to be paid within one month of the formal ratification of the Treaty and has been paid during the current year after obtaining a supplementary grant. A similar amount is payable next year for which provision has been made in the budget. These payments are initially debited to the Capital section of the account, and are written back to revenue in 15 equal annual instalments. The receipts, if any, from the International Bank arising under the Treaty would be taken in reduction of the capital expenditure.

Development Grants.—This head records the expenditure on grants to States for development which, in view of their magnitude, are capitalised in the first instance and written back to revenue over a period of 15 years. Among the major items for which the capital grants are given are Local Development Works, Industrial Housing and Slum Clearance Schemes, National Water Supply and Sanitation Schemes and Roads of inter-State or economic importance including Border Roads. The details of the provision in respect of the various items are as follows:—

(In lakhs of Rupees)

	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget, Estimate 1961-62
Local Development Works	400·00	396·91	450·00
Industrial Housing and Slum Clearance Schemes	671·38	668·83	602·62
Development Grants under Gadgil Committee's Award	5·00	6·02	..
National Rural Water Supply and Sanitation Schemes	200·00	146·50	60·00
Grants to States for roads of inter-State or economic importance including Border Roads	475·00	529·00	828·00
TOTAL	1751·38	1747·26	1940·62
Less—Amount written back to revenue	—507·98	—500·27	—618·24
Net	1243·40	1246·99	1322·38

Provision for larger grants to State Governments for construction of border roads and provision of Rs. 50 lakhs for pilot projects for utilisation of rural man-power under Local Development Works explain the increase in the next Budget.

The details of the amounts written back to revenue are as follows:—

(In lakhs of Rupees)

	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1960-61
Local Development Works	—172 33	—168 95	—195·41
Industrial Housing and Slum Clearance Scheme	—97·47	—86·29	—132·06
Grants under Gadgil Committee's Award	—70·83	—70 77	—71·17
National Rural Water Supply etc. Schemes	—51·35	—58·26	—63·00
Grants for roads	—116·00	—116·00	—151·60
TOTAL	—507·98	—500·27	—618 24

Payments to Displaced Persons.—This head records payment of compensation and rehabilitation grants to displaced persons under the Displaced Persons Compensation and Rehabilitation Act, 1954, and payments to migrants from Pakistan-held areas of Jammu and Kashmir. The sale proceeds of evacuee property transferred from revenue are credited to this head and the net capital expenditure is written back to revenue over a period of 15 years.

The current Budget provided for a gross expenditure of Rs. 10·75 crores for payment of compensation to displaced persons from West Pakistan, Rs. 3·94 crores for payments to migrants from Pakistan-held areas of Jammu and Kashmir State, and Rs. 6 lakhs for other miscellaneous payments. The Revised requirements for payment of compensation to displaced persons have been placed lower at Rs. 8·04 crores mainly due to less loans etc. adjusted as compensation. The Revised requirements in respect of payments to migrants have been placed lower at Rs. 62·5 lakhs due to slower progress in the scheme for transfer of property and adjustment of loans against payments to be made. Gross payments for compensation to displaced persons from West Pakistan next year are estimated at Rs. 7·25 crores of which Rs. 2 crores would represent transfer of Government property as compensation, Rs. 4·5 crores as adjustment of loans and Rs. 75 lakhs for cash compensation. A provision of Rs. 3·25 crores for payment to migrants from Pakistan-held areas of Jammu and Kashmir State mainly due to carry-forward of the schemes which could not be settled during the year. These payments will be made to the extent of Rs. 5·25 crores this year and Rs. 4·5 crores next year from sale proceeds of evacuee property transferred from revenue for which provision has been made in the Revenue section under 'Expenditure on Displaced Persons'.

The net capital expenditure written back to revenue would be Rs. 4·32 crores during the current year and Rs. 4·50 crores next year provision for which has been made in the Revenue Demand relating to Expenditure on Displaced Persons and Minorities. The net estimates provided for a credit of Rs. 84 lakhs this year and expenditure of Rs. 1·5 crores next year.

Dandakaranya Development Scheme.—This head accommodates expenditure on the development of Dandakaranya on the borders of Andhra Pradesh, Orissa and Madhya Pradesh for the rehabilitation of displaced persons from East Pakistan as well as for the welfare of the local

population, particularly tribals. Against the Budget provision of Rs. 6·06 crores, expenditure this year is estimated at Rs. 5·68 crores and Rs. 5·4 crores next year.

Shipping, Tankers, etc.—The current Budget included a provision for Rs. 85 lakhs for expenditure under Dredger-cum-Survey Launch pool, Rs. 65 lakhs for Andaman-Nicobar Islands and Rs. 13 lakhs for purchase of boat for inter-island traffic in the Laccadive, Minicoy and Amindivi Islands. It is now anticipated that an expenditure of Rs. 30 lakhs would be incurred in respect of a Dredger-cum-Survey Launch pool for minor ports and the other main projects would materialise next year. Accordingly, the Budget next year provides for Rs. 110 lakhs for the Dredger-cum-Survey Launch pool, Rs. 49·01 lakhs for ships for Andaman-Nicobar Islands and Rs. 16 lakhs for boats for inter-island traffic in the Laccadive, Minicoy and Amindivi Islands.

Transfer of Development Assistance from the Government of U.S.A.—This head accommodates the transactions relating to the assistance received from U.S.A. under Development Assistance Programme and Public Law 480.

The commodities received from U S.A. under the Development Assistance Programme are fertilisers, iron and steel, surplus agricultural commodities (wheat and cotton), tubewells casing, equipment for rural electrification, for storage godowns, for malaria and filaria control, for community development schemes, Delhi Thermal Plant, etc. The surplus agricultural commodities are treated as sold to the Government of India and payment in rupees is made in India to the U.S.A. by debit to the head "85A—Capital Outlay on Schemes of Government Trading". A part of the amounts so paid is received back from the U.S. Government for utilisation on approved projects and credit for such receipts is taken under revenue or public debt according as the amount received back is a grant or a loan. Simultaneously, an equivalen amount is transferred to the Special Development Fund by debit to the capital head "Transfer of Development Assistance from the Government of U.S.A." in the case of loans and the corresponding expenditure head in the case of grants. In the case of other commodities, the rupee equivalent of the value thereof is debited to the same head referred to above *viz.* "85-A", but no payment is required to be made to the U.S A. and the amount is treated as lent to the Government of India for which credit is taken under public debt. Simultaneously, an equivalent amount is transferred to the Special Development Fund by debit to "Transfer of Development Assistance from Government of U.S.A." In both cases, the sale-proceeds are credited to the head "85-A" and the credits to the Special Development Fund are transferred to the relevant heads in reduction of expenditure on agreed projects.

The assistance received under Public Law 480 also is in the form of surplus agricultural commodities, mainly consisting of wheat, rice, cotton tobacco, corn, soyabeen oil and dairy products. The accounting procedure is similar to the procedure indicated above for the Development Assistance Programme.

Budget for the current year included a provision of Rs. 73·57 crores of which Rs. 70 crores were in respect of the Loan Assistance under P.L. 480 and Rs. 3·57 crores under Development Assistance Programme. The Loan Assistance under P L. 480 is now estimated at Rs. 60 crores this year and Rs. 70 crores next year. The total assistance this year is estimated at Rs. 8·83 crores for agricultural commodities, Rs. 3·64 crores for fertilisers

Rs. 3·09 crores for malaria control, Rs. 47 lakhs for filaria control and Rs. 16 lakhs for rural electrification (Rs. 13·16 lakhs mainly for Delhi Thermal Plant). Development Assistance next year is estimated at Rs. 4·7 crores consisting of Rs. 4·2 crores for import of iron and steel and Rs. 35 lakhs for Delhi Thermal Plant.

Other Civil Heads.—Broad details of the provision are given below:—

(In lakhs of Rupees)

	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
Capital Outlay on Forests	5·62	5·47	5·80
Capital Outlay on India Security Press	13·34	10·95	32·58
Capital Outlay on Water Supply and Sanitation Schemes	34·00	50·00	56·00
Payments to Retrenched Personnel	—·04	·02	..
TOTAL	52·92	66.44	94.38

The provision for Capital Outlay on Forests mainly is in respect of devlopment of Andaman Forests, and Capital expenditure on buildings, equipment and forestry schemes in Union Territories. The saving in the Revised under capital expenditure on India Security Press is mainly due to less expenditure anticipated on construction of staff quarters and labour colony and hospital for the staff and workmen. The increase next year is due to provision for expenditure on this account as also for the acquisition of part of the distillery estate from Government of Maharashtra.

Provision for payment of terminal compensation to temporary persons retrenched from service was debited to the Capital section of accounts and written back to revenue over a period of 5 years. In view of the small number of transactions falling under this head, it has been decided to debit expenditure *ab initio* to the Revenue section of accounts with effect from 1961-62. This explains the absence of this provision next year under this head.

Roads and Water Transport schemes.—The capital expenditure on Bus services in Himachal Pradesh and Manipur is expected to amount to about Rs. 18·5 lakhs and Rs. 6 lakhs respectively for which provision was also made in the Budget. The expenditure next year is estimated at Rs. 32·43 lakhs in Himachal Pradesh and Rs. 8 lakhs in Manipur.

Discharge of Permanent Debt.—The details are as follows:—

(In lakhs of Rupees)

	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
(*a*) *Rupee Debt*—			
(*i*) 4% Loan, 1960-70	60,00	60,00	1 25
(*ii*) 2¾% Loan, 1960	44,00	44,00	50
(*iii*) 2½% Development Loan, (Hyderabad) 1955-60	4,00	4,00	10
(*iv*) 2½% Loan, 1961	..	..	54,15
(*v*) 3¼% N.P.B. 1961 (1st Issue)	..	..	74,50
(*vi*) 3%Loan 1951-61 (Hyderabad)	..	..	6,25
(*vii*) Expired Loans	70	60	25
(*viii*) 15-Year Annuity Certificates	30	22	50
TOTAL RUPEE DEBT	109,00	108,82	137,50

(In lakhs of Rupees)

	Budget, Estimate, 1960-61	Revised Estimate, 1960-61	Bndget, Estimate, 1961-62
(b) Sterling Debt—			
India Stocks and Rly. Debenture Stocks .	2	1	2
U.K. Syndicate of Banks	..	..	2,00
TOTAL—STERLING DEBT . .	2	1	2,02
(c) Other Debt—			
(*i*) Loans from the International Bank for Reconstruction and Development—			
First Rly. Project loan	1,21	1,21	1,26
Second Rly. Project Loan . . .	..	..	2,74
Bokaro-Konar Project. . . .	46	46	48
Second D. V. C. loan . . .	16	16	17
Third D. V. C. loan.	..	..	42
(*ii*) Wheat loan from Canada	1,54	1, 64	,24
(*iii*) First Development Assistance loan from U.S.A. ($45m)	5	4	8
(*iv*) Loan from U. S. A. President's Development Loan Fund	3,12	2,92	3,61
(*v*) Loan from USSR for Bhilai Project . .	5,26	5,52	5,41
(*vi*) Loan from West Germany	15,88	5,58	8,45
TOTAL—OTHER DEBT . . .	27,68	17,53	24,86
GRAND TOTAL . . .	136,70	126,36	164,38

The reduction in the revised is due to the West German Government consenting to the postponement of a major portion of the repayments falling due this year on account of the loan for Rourkela Project. Budget makes provision for anticipated repayments next year.

Discharge of Special Floating Debt.—This head records the discharge of the securities issued to the International Monetary Fund and International Bank for Reconstruction and Development in lieu of part payment of India's contribution to these Organizations. The credit for the securities in question was taken to "N—Public Debt" by debit to "Currency Capital Outlay".

Provision of Rs. 3·43 crores has been made both in this and next year for the encashment of securities issued to the I.B.R.D.

Inter-State Settlement.—Provision has been made in the estimates of the next year for the payment of the Centre's share towards the redemption of 3 per cent. Mysore Loan, 1956—61 (Rs. 1·75 crores) and 3½ per cent. Cochin Loan, 1956—61 (Rs. 4 lakhs) which are due for redemption next year.

Advances to State Governments.—Advances are made to State Governments towards their expenditure on Plan Schemes, for tiding over temporary ways and means difficulties, for natural calamities, etc. The Central assistance towards Plan Schemes consisting of loans as well as grants is released in accordance with the procedure introduced in 1958-59 to the extent of three-fourths of the budget provision in nine equal monthly instalments beginning from May. These advance payments are

debited to this head but are written back, before the close of the year, by minus debit to the relevant heads on the issue of final sanction for payments of the grants or the loans, as the case may be.

Details by broad categories of loans and advances to State Governments for which provision has been made are given below:—

(In lakhs of Rupees)

	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
Loans to State Governments for—			
Agricultural and allied schemes	51,50	44,46	53,70
Miscellaneous Development Schemes	38,50	57,97	85,05
Community Development and National Extension Services Schemes	14,08	14,13	17,00
Handloom and Other Schemes	11,50	11,00	14,15
Irrigation Schemes	80,84	71,20	72,39
Small Savings Schemes	58,00	88,98	80,00
Water Supply and Drainage Schemes	12,00	11,26	9,00
Flood control Schemes	7,27	7,27	9,00
Rehabilitation Purposes	8,06	3,80	3,27
Railway and Rural Electrification Schemes	3,30	4,30	10,00
Construction of Students' Hostels	1,49	1,07	1,42
Housing Schemes	18,56	18,12	14,91
Police Housing Schemes	3,00	3,00	3,00
Development Schemes in Border areas	..	..	1,84
Natural Calamities	2,00	2,50	2,00
Government of Madhya Pradesh enabling them to invest in the share capital of the National Coal Development Corporation	..	1,12	..
Ways and Means Advances	25,00	25,00	25,00
Other Schemes	12,47	10,89	7,49
TOTAL—(Gross)	3,47,57	3,56,07	4,09,22
Deduct—Amount met from Special Development and other Funds	—16,07	—21,47	—14,04
Net	3,31,50	3,34,60	3,95,18

These loans will be met partly out of the Special Development and other Funds as indicated below:

Special Development Fund	15,72	21,21	13,74
Fund for benefit of Cotton Growers	35	26	30
	16,07	21,47	14,04

Other Loans and Advances.—Details of the provision included in the budget for grant of loans and advances to foreign governments, port trusts, municipal bodies, statutory corporations, Government-owned companies, private parties, etc. are given below:

(In lakhs of Rupees)

	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
Loans to—			
Foreign Governments	16,59	16,05	11,97
Port Trusts	3,00	2,00	3,00
New Delhi Municipal Committee.	..	..	67
Delhi Municipal Corporation for different Schemes.	5,63	4,12	8,02
Delhi Development Authority.	..	..	2,80
Rehabilitation Finance Administration	10	10	..
Industrial Finance Corporation	9,00	9,00	10,00
Indian Credit and Investment Corporation	2,00	1,00	3,00
Refinance Corporation	5,00	5,00	5,00
Film Finance Corporation	..	..	24
Handloom and other Schemes	18	30	24
Village Industries	1,70	1,70	1,70
Khadi Industries	2,25	4,95	2,25
Ambar Charkha	2,72	2,72	2,12
National Small Industries Corporation	94	90	94
National Industrial Development Corporation	3,00	2,15	2,50
Hindusthan Cables Ltd.	..	..	30
Oil India (Private) Ltd.	..	4,00	..
Fertilisers Corporation of India.	..	1,25	7,85
Hindustan Aircraft Ltd.	..	..	2,20
Heavy Electricals Ltd.	..	..	10,00
National Coal Development Corporation.	5,87	4,31	9,00
Mysore Iron & Steel Corporation	..	..	1,00
Tata Iron and Indian Iron Steel Company Ltd.	..	4,00	..
Hindustan Steel Ltd.	90,00	88,00	40,00
India Refineries Ltd.	..	..	5,00
Sikkim Mining Corporatio	..	..	4
Singareni Collieries	1,85	1,85	..
Rehabilitation Industries Corporation	2,00	25	50
National Mineral Devlopment Corporation	..	..	1,75
Construction of Students' hostels	1,53	1,35	1,88
Displaced Persons	90	66	1,00

(In lakhs of Rupees.)

	Budget Estimate, 1960-61	Revised Estimate, 1960-61	Budget Estimate, 1961-62
Private Shipping Companies.	91	1,90	58
Shipping Development Fund	8,70	5,94	7,00
Housing Schemes.	1,82	93	1,54
Railway Development Fund	7,64	3,58	14,77
Cultivators	1,04	94	54
Other Loans and Advances including Loans to Government servants	9,37	5,42	11,20
TOTAL (Gross) . .	1,83,74	1,74,37	1,70,60
Recoveries			
Deduct—Amount met from Special Development Fund and Other Funds	—7,00	—15,14	—9,53
Net . . .	1,76,74	1,59,23	1,61,25

DEBT POSITION OF THE GOVERNMENT OF INDIA

The outstanding public debt of the Government of India is expected to amount to Rs. 4,971 crores at the end of the current year and Rs. 5,554 crores at the end of 1961-62. Details are given in Statement VII at the end of this section.

An analysis of the debt compared with the debt at the end of 1938-39 is given below:—

(In crores of Rupees)

Particulars	As on 31st March, 1939	As on 31st March, 1961	As on 31st March, 1962
Rupee Loans :			
Current Loans	4,37·87	2,572·21	2,669·32
Treasury Bills	46·30	1,262·60	1,387·60
Special Floating Loan	..	272·46	272·48
Expired Loans	·65	17·36	19·40
TOTAL	4,84·82	4,124·63	4,348·80
Sterling Loans :			
Current Loans	3,96·50	107·17	107·42
War Contribution	20·62	20·62	20·62
Capital Portion of Railway Annuities	47·82	..	..
U. K. Syndicate of Banks	..	15·33	13·33
Expired Loans	·01	·03	·03
TOTAL	4,64·95	143·15	141·40

(In crores of Rupees)

Particulars	As on 31st March 1939	As on 31st March, 1961	As on 31st March, 1962
Other Loans :			
Loans from (U.S.A.)	..	316·36	446·81
Loans from World Bank	..	155·24	167·76
Loans from U. S. Exim Bank	..	35·73	83·33
Loans from (Canada)	..	14·07	11·83
Loans from U.S.S.R.	..	61·53	88·30
Loans from West Germany	..	108·17	108·21
Loans from Japan	..	11·97	25·62
Loans from Czechoslovakia	..	..	1·03
Loans from Poland	..	..	4·00
Loans from Yugoslavia	..	..	4·00
Loans from Swizerland	..	..	3·00
New Loans to be negotiated	..	..	120·00
TOTAL	..	703·07	1063·89
TOTAL—PUBLIC DEBT	9,49·77	4,970·85	5554·09

Excluding the war contribution, the liability in respect of which remains suspended, the total outstanding debt will be Rs. 4,950 crores at the end of the current year and Rs. 5,533 crores at the end of 1961-62. At the end of the Budget year, the outstanding debt would, as compared with the figure at the end of 1938-39, have risen by Rs. 4,604 crores.

In addition the Government are liable to repay the investments of the deposits of the PL 480 counterpart funds, the balances in the various Provident Funds, the Post Office Savings Bank, the Post Office Cash, National Savings, National Plan, National Plan Savings, and Treasury Savings Deposit Certificates, deposits under the Cumulative Time Deposits Scheme, the Depreciation and Reserve Funds of the Railways, Posts and Telegraphs, etc., and certain other deposits, mainly relating to deposits of Income-tax, super-tax etc. These balances are estimated to amount to Rs. 1,620 crores at the end of the current year and Rs. 1,869 crores at the end of 1961-62. Taking the regular debt and these liabilities together the debt position of the Government of India will stand as follows:—

(In crores of Rupees)

	On 31st March, 1961	On 31st March, 1962
Regular Loans	4970·85	5554·09
Other Liabilities	1620·22	1868·57
British War Loan	(—)20·62	(—)20·62
TOTAL	6570·45	7402·04

This outstanding debt may be analysed with reference to the purpose on which the money has been utilised or the assets by which it is covered. An analysis is given below:—

(In round crores of Rupees)

	As on 31st March, 1961	As on 31st March, 1962
Railways	1556	1716
Posts and Telegraphs and other Commercial Departments (including Damodar Valley Corporation)	220	244
Investment in Commercial concerns (Industrial Development)	621	728
Loans and Advances	2521	2902
Amounts recoverable from the U. K. and the States on account of purchase of annuities for sterling pensions	19	19
Subscription to the International Monetary Fund	282	282
Purchase of shares of the I.B.R.D.	37	37
Subscription to the International Development Association	4	8
Debt due from Pakistan	300	300
Cash and other investments	54	52
TOTAL	5614	6288

Allowing for these, the uncovered debt will amount to Rs. 1,114 crores at the end of the Budget year against the pre-war figure of Rs. 188 crores. The whole of this cannot, however, be called unproductive since the large grants to State Governments for development in recent years which increase the productive capacity of the country as a whole are not entirely unremunerative. Similarly, the large capital outlay on Central property, the value of which is either not shown at all in the Government's accounts or is shown as non-commercial (such as the Delhi Capital Outlay and Defence Capital Outlay) is not without value. Besides, a considerable portion of the capital outlay has also been incurred on schemes of state trading such as foodgrains, fertilisers, iron and steel, etc. of which there are reserve stocks, particularly of foodgrains.

The statement below analyses the interest bearing obligations of the Government of India and the interest yielding assets held by them.

(In crores of Rupees)
(At the end of)

	1938-39 (Pre-war year)	1960-61 Revised	1961-62 Budget
INTEREST-BEARING OBLIGATIONS—			
In India			
Public Debt—			
Loans	437·87	2572·21	2669·32
Treasury Bills	46·30	1262·60	1387·60
TOTAL—PUBLIC DEBT (INDIA)	484·17	3834·81	4056·92

(In crores of Rupees)
(At the end of)

	1938-39 (Pre-war year)	1960-61 Revised	1961-62 Budget
Unfunded Debt—			
Investment of U. S. Government counterpart Deposit Funds	..	240·00	336·00
Service Funds	1·03	·27	·26
10-Year Treasury Savings Deposit Certificates	..	77·71	86·21
Post Office Savings Bank Deposits	81·88	421·49	456·99
12-Year National Plan Savings Certificates	..	292·18	368·18
Cumulative Time Deposits	..	2·55	5·00
Post Office Cash and Defence Savings Certificates	59·57	1·38	·81
National Savings Certificates	..	152·10	135·22
10-Year National Plan Certificates	..	18·74	17·74
State Provident Funds	72·40	285·28	323·69
Other Items	10·25	19·17	20·47
TOTAL—UNFUNDED DEBT (INDIA)	225·13	1510·87	1750·57
Deposits—			
Depreciation Development and Reserve Funds	27·34	87·28	96·19
Other Deposits	..	22·07	21·81
TOTAL—DEPOSITS (INDIA)	27·34	109·35	118·00
TOTAL—OBLIGATIONS IN INDIA	736·64	5455·03	5925·49
Other Public Debt—			
In England			
Loans	396·50	107·17	107·42
U. K. Syndicate of Banks	..	15·33	13·33
Capital Portion of Railway annuities in purchase of Railways	47·82	..	..
TOTAL—PUBLIC DEBT (ENGLAND)	444·32	122·50	120·75

(In crores of Rupees)
(At the end of)

	1938-39 (Pre-war year)	1960-61 Revised	1961-62 Budget
Loans from World Bank	..	155·24	167·76
Loans from U.S. Exim Bank	..	35·73	83·33
Loans from U.S.A.	..	316·36	446·81
Loans from Canada	..	14·07	11·83
Loans from U.S.S.R.	..	61·53	88·30
Loans From West Germany	..	108·17	108·21
Loans from Japan	..	11·97	25·62
Loans from Czechoslovakia	..	..	1·03
Loans from Poland	..	..	4·00
Loans from Yugoslavia	..	..	4·00
Loans from Swziterland	..	..	3·00
New Loans to be negotiated	..	..	120·00
TOTAL—INTEREST BEARING OBLIGATIONS	1180·96	6280·60	7110·13
Interest-yielding Assets—			
Capital advanced to Railways	725·24	1555·90	1715·90
Capital advanced to other Commercial Departments (including Damodar Valley Corporation)	27·42	219·69	243·76
Investment in Commercial Concerns (Industrial Development)	..	473·35	545·75
Capital advanced to States	123·28	1905·69	2179·39
Other interest bearing loans	20·71	615·59	722·34
Amount recoverable from the U. K. and the States on account of purchase of annuities for Sterling Pensions	..	19·43	18·82
Debt due from Pakistan	..	300·00	300·00
TOTAL—INTEREST-YIELDING ASSETS	896·65	5089·65	5725·96
Cash and Securities held on Treasury Account	30·30	54·01	52·34
Balance of total interest-bearing obligations not covered by above assets.	274·63	1116·41	1311·30

NOTE 1—The outstandings at the end of each year are shown in the statement. The account for the year 1947-48 (pre-partition) and 1959-60 have not yet been closed finally and the figures have, therefore, been worked out on the best information available.

NOTE 2—Sterling obligations have been converted into Rupees at 1 sh. 6 d. to the Rupee.

NOTE 3—Final debt settlement with Pakistan has yet to be made. The figure entered for debt from Pakistan is a rough indiction of the amount likely to be due to India.

STATEMENT VII

OUTSTANDING PUBLIC DEBT OF THE GOVERNMENT OF INDIA

(In lakhs of Rupees)

Particulars	Date of Issue	Earliest date of maturity	Estimated amount on 31st March, 1961	Estimated amount on 31st March, 1962
(1)	(2)	(3)	(4)	(5)
A—RUPEE LOANS :				
1—Current Loans :				
Terminable Loans—				
3% Loan, 1963-65	1st June 1938	1st June 1963	116,17	116,17
3% Funding Loan 1966-68.	22nd Oct. 1943	1st Oct. 1966	110,12	110,12
3% First Development Loan 1970-75	16th April 1945	15th Oct. 1970	115,06	115,06
2½% Loan 1961	1st Aug. 1946	1st Aug. 1961	57,01	..
2¾% Loan, 1976	16th Sept. 1946	16th Sept. 1976	14,78	14,78
2½% Loan, 1962	15th Nov. 1947	15th Nov. 1962	75,87	75,87
3% Loan, 1964	19th June 1950	15th June 1964	30,33	30,33
3½% National Plan Bonds, 1961 (First Issue)	8th June 1953	1st June 1961	75,29	..
3½% National Plan Loan, 1964	19th April 1954	19th April 1964	158,18	158,18
3½% National Plan Bonds—Second Series (3½% 1965)	1st July 1955	1st July 1965	153,68	153,68
3½% Bonds, 1962	16th July 1956	16th July 1962	107,27	107,27
3½% National Plan Bonds—Third Series (3½% 1967)	16th July 1956	16th July 1967	93,82	93,82
3½% Loan 1974	16th July 1956	16th July 1974	86,64	86,64
4% Loan 1972	5th Aug. 1957	1st Aug. 1972	49,17	49,17
3¾% National Plan Bonds—Fourth Series	5th Aug. 1957	1st Aug. 1967	56,99	56,99
3½% Bonds 1963	12th May 1958	12th May 1963	58,06	58,06
3½% National Plan Bonds (Fifth Series 1968)	12th May 1958	12th May 1968	34,34	34,34
4% Loan 1973	12th May 1958	12th May 1973	49,51	49,51
4% Loan 1973 (*Ad hoc* issue)	1st July 1958	12th May 1973	300,00	300,00
3½% Loan 1968	26th Aug. 1958	26th Aug. 1968	70,00	70,00
3½% Bonds, 1969	1st July 1959	1st July 1969	137,91	137,91
4% Loan, 1979	1st July 1959	1st July 1979	81,06	81,06
3½% Bonds, 1966	18th July 1960	1st July 1966	82,65	82,65
4% Loan, 1980	18th July 1960	18th July 1980	98,05	98,05
3½% National Plan Bonds—Third Series (3½% 1967)	30th Jan. 1961	30th Jan. 1967	10,00	10,00
3¾% National Plan Bonds—Fifth Series (3¾% 1968)	30th Jan. 1961	30th Jan. 1968	30,00	30,00
3½% Bonds 1969	30th Jan. 1961	30th Jan. 1969	10,00	10,00
New Loans	To be floated in 1961-62		..	225,00
Sale of Prize Bonds		1st April 1965	12,50	22, 5

(In lakhs of Rupees)

(1)	(2)	(3)	(4)	(5)
Bhopal Loans—				
3% Loan, 1966-76	12th Nov. 1946	Repayable at par on 15-11-76 but the Government have the option of repaying at any time after 15th November, 1966, with 6 months' notice	1,22	1,22
Hyderabad Loans—				
3% Loan, 1951-61	1st August 1941	1st August, 1961 or any day after 1st August, 1951 on giving three calendar months' notice.	6,59	..
2½% Loan, 1953-63	16th Oct. 1943	16th October, 1963 or any day after 16th October, 1953 on giving three calendar months' notice.	5,38	5,38
4% Hyderabad State Dev. Loan, 1963	22nd Oct. 1953	22nd Oct. 1963	3,35	3,35
1½% Loan, 1964	31st Oct. 1956	31st Oct. 1964	3,86	3,86
4% Hyderabad State Dev. Loan, 1967.	16th Aug. 1955	16th Aug. 1967	2,12	2,12
4% Hyderabad State Dev. Loan, 1968.	3rd Sep. 1956	3rd Sep. 1968	2,18	2,18
2¾% Loan, 1974	1st April 1954	1st April 1974	4,40	4,40
2¾% Loan, 1975	1st Jan. 1950	1st Jan. 1975	6,86	6,86
Old Rly. Shares	..	..	29	29
Non-Terminable Loans—				
3% 1896-97	22nd July 1896	At the option of the Govt. of India after 3 months' notice.	8,93	8,93
3% Conversion Loan, 1946.	16th Sep. 1946	At any time on or after 16th Sept. 1986 subject to three months' notice.	248,91	248,91
Annuity Certificates—				
15-year Annuity Certificates			3,66	4,66
		TOTAL—CURRENT LOANS	25,72,21	26,69,32
II—Treasury Bills ;			12,62,60	13,87,60

(In lakhs of Rupees)

(1)	(2)	(3)	(4)	(5)
III—Special Floating Loan —				
Issued to the International Monetary Fund	..	..	246,89	246,89
Issued to the International Bank for Reconstruction and Development			22,12	18,69
Issued to the International Development Association			3,45	6,90
		TOTAL—SPECIAL FLOATING LOANS	272,46	272,48
IV—Expired Loans —				
Sundry loans			17,36	19,40
		TOTAL—RUPEE LOANS	4124,63	4348,80
B—STERLING LOANS :				
Current Loans (U. K. Govt.)			107,07	107,34
India Stocks and Rly Debenture Stocks			10	8
War Contribution			20,62	20,62
Expired Loans			3	3
U.K. Syndicate of Banks (For Durgapur Steel Project)			15,33	13,33
		TOTAL—STERLING LOANS	143,15	141,40
C—OTHER LOANS :				
I—Loans from the International Bank for Reconstruction and Development :				
Railway Project Loan I			4,63	3,37
Railway Project Loan II			42,86	40,12
Railway Project Loan III			40,48	40,48
Railway Project Loan IV			23,81	23,81
Railway Project Loan V			19,05	33,33
Bokaro Konar Project Loan (D.V.C. I)			5,42	4,94
Damodar Valley Project Loan (D.V.C. II)			4,25	4,08
Damodar Valley Project Loan (D.V.C. III)			10,17	10,06
Koyna Project Loan			4,57	7,57
		TOTAL—IBRD LOANS	1,55,24	167,76
II—Loans from the Government of U.SA :				
Loan for purchase of American wheat			88,68	88,68
Development Assistance Loans			60,08	61,76
Loans under PL 480			88,05	158,05
Development Loan Fund Loans			77,55	130,80
Asian Economic Development Fund Loan			2,00	7,52
		TOTAL—USA LOANS	316,36	446,81

(In lakhs of Rupees)

(1)	(2)	(3)	(4)	(5)
III—U. S. Exim. Bank Loan			35,73	83,33
IV—Wheat loans from Canada			14,07	11,83
V—LOANS FROM U.S.S.R.:				
Bhilai Project . .			47,80	42,59
Industrial Enterprises			10,38	22,68
Drugs Credit			42	1,22
Barauni Credit			62	6,62
1500 m. Roubles Old Credit . . .			2,31	12,19
112·5 m. Roubles Credit . . .			..	3,00
	TOTAL—U.S.S.R. LOANS		61,53	88,30
VI—LOANS FROM WEST GERMANY :				
Rourkela Steel Project			60,76	60,80
D.M. 168 m. Credit			19,05	19,05
First DM 125·1 m. Credit . . .			14,18	14,18
Second DM 125·1 m. Credit . . .			14,18	14,18
	TOTAL—WEST GERMAN LOANS . .		108,17	108,21
VII—LOANS FROM JAPAN.				
Exim. Bank Credit			11,97	23,81
Orissa Iron Ore			..	1,81
	TOTAL—JAPAN LOANS		11,97	25,62
VIII—LOANS FROM CZECHOSLOVAKIA—CREDIT FOR THIRD PLAN PROJECTS .			..	1,03
IX—LOANS FROM POLAND CREDIT FOR IMPORT OF CAPITAL EQUIPMENT .			..	4,00
X—LOANS FROM YUGOSLAVIA CREDIT FOR IMPORT OF CAPITAL GOODS . .			..	4,00
XI—LOANS FROM SWITZERLAND CREDIT FOR IMPORT OF CAPITAL GOODS .			..	3,00
XII—LOANS TO BE NEGOTIATED:				
Sundry new loans .			..	120,00
	TOTAL—OTHER LOANS		703,07	1063,89
	TOTAL—PUBLIC DEBT		4970,85	5554,09

ANNEXURES

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ANNEXURE I
DISTRIBUTION OF REVENUE AND EXPENDITURE

(In lakhs of Rupees)

Year	Tax Revenue	Cost of Collection	Net Tax Revenue	Net Revenue from Commercial Departments	Opium (Receipts *less* Expenditure)	Currency and Mint (Receipts *less* Expenditure)	Interest Receipts	Extraordinary Receipts	Other Revenue	Total *net* Revenue	Interest on Debt	Reduction or avoidance of Debt	Extraordinary Items	Defence Expenditure (Net)	Other Expenditure	Net Capital Outlay of Commercial Department met from Revenue	Total net Expenditure	Surplus + Deficit—
1950-51 . .	3,53,61	10,25	3,43,36	10,40	1,96	9,71	2,13	70	25,20	3,93,46	32,36	5,00	7,03	1,64,13	1,25,60	12	3,34,24	+59,22
1951-52 . .	4,56,59	12,88	4,43,71	10,29	70	8,79	1,77	5,59	23,65	4,94,50	34,00	5,00	10,91	1,70,96	1,45,45	9	3,66,41	+1,28,09
1952-53 .	3,65,02	11,02	3,54,00	8,96	55	7,22	2,91	3,91	19,90	3,97,45	31,50	5,00	10,15	1,79,52	1,32,20	15	3,58,52	+38,93
1953-54 . .	3,43,13	10,69	3,32,44	9,33	—62	13,14	2,91	2,51	20,22	3,79,93	35,82	5,00	11,78	1,86,30	1,32,46	7	3,71,43	+8,50
1954-55 . .	3,79,75	11,33	3,68,42	9,25	58	17,42	3,86	46	20,21	4,20,20	34,72	5,00	15,25	1,86,66	1,45,02	4	3,86,69	+33,51
1955-56 . .	4,06,97	12,50	3,94,47	9,24	54	19,75	2,84	11	38,89	4,65,84	38,14	5,00	10,40	1,72,28	1,99,49	4	4,25,39	+40,45
1956-57 . .	4,89,75	14,45	4,75,30	12,15	68	19,44	5,65	1,08	32,59	5,46,89	34,06	5,00	10,40	1,92,15	2,15,88	...	4,57,49	+89,40
1957-58 . .	5,71,56	16,55	5,55,01	9,89	89	26,04	6,18	2	57,93	6,55,96	37,08	5,00	11,51	2,56,72	3,03,60	...	6,13,91	+42,05
1958-59 . .	5,49,76	19,44	30,32	12,58	43	23,43	8,31	2	75,65	6,50,74	43,63	5,00	14,06	2,50,93	3,42,37	...	6,55,99	—5,25
1959-60 .	6,38,83	20,83	6,18,00	10,64	89	43,00	7,99	22	77,35	7,58,09	64,38	5,00	20,74	2,30,86	3,94,56	..	7,15,54	(+)42,55
1960-61 (Budget)	6,72,64	22,77	6,49,87	5,94	71	46,95	15,71	10,01	73,94	8,03,13	69,59	5,00	33,75	2,72,26	4,83,23	...	8,63,83	—60,70
1960-61 (Revised)	6,81,09	22,69	6,58,40	5,39	1,14	46,98	14,87	5,02	74,35	8,06,15	67,35	5,00	28,82	2,66,72	4,71,92	...	8,39,81	—33,66
1961-62 (Budget)	7,03,13	21,14	6,81,99	21,91	84	48,67	13,84	10,00	66,68	8,43,93	76,90	5,00	10,87	2,82,92	5,28,84	...	9,04,53	—60,60

NOTE—Accounts from 1950-51 to 1959-60 have not been finally closed and the figures given here are only provisional.

ANNEXURE II

ANALYSIS OF TAX REVENUE INCLUDED IN ANNEXURE I

Year	Net revenue from										Transfers to Central Road Fund	States share of Taxes and Duties					Other Miscellaneous Contribution and assignments	Tax Revenue realised by Union Govt.
	Customs	Union Excise Duties	Taxes on Income and Corporation Tax	Estate Duty	Taxes on Wealth	Expenditure Tax	Taxes on Railway Passenger Fares	Gift Tax	Other Tax Revenue	Total		Union Excise Duties including Add. Excise Duties	Income Tax	Estate Duty	Tax on Railway Passenger Fares	Total		
1950-51	1,55,35	63,43	1,70,79	..	..	..	..	..	4,71	3,94,28	3,40	..	47,52	..	..	47,52	..	3,43,36
1951-52	2,29,89	79,23	1,84,90	..	..	..	..	..	5,95	4,99,97	3,40	..	52,86	..	..	52,86	..	4,43,71
1952-53	1,71,57	78,56	1,82,19	..	..	..	..	..	69	4,33,01	5,20	16,83	56,98	..	..	73,81	..	3,54,00
1953-54	1,55,91	91,67	1,61,15	..	..	..	..	..	1,17	4,99,90	4,60	15,55	57,29	..	..	72,84	..	3,32,45
1954-55	1,82,20	1,04,54	1,56,14	81	..	..	..	..	76	4,44,45	4,40	15,11	55,95	57	..	71,63	..	3,68,42
1955-56	1,62,98	1,42,21	1,64,60	1,81	..	..	..	..	97	4,72,57	4,50	16,57	55,16	1,87	..	73,60	..	3,94,47
1956-57	1,70,42	1,85,33	1,98,66	2,11	..	..	..	..	2,16	5,58,68	4,00	18,22	58,75	2,41	..	79,38	..	4,75,30
1957-58	1,76,92	2,68,01	2,15,18	2,30	7,04	..	3,68	..	6,08	6,79,22	3,75	40,22	73,43	2,40	4,41	1,20,46	..	5,55,01
1958-59	1,34,86	3,07,30	2,21,32	2,70	9,66	64	12,18	98	6,04	6,95,68	3,30	72,99	75,80	2,38	10,89	1,62,06	..	5,30,32
1959-60	1,52,54	3,54,47	2,50,08	2,91	12,11	79	12,72	80	5,03	7,91,45	3,60	74,70	79,32	2,76	13,07	1,69,85	..	6,18,00
1960-61 (Budget)	1,58,55	3,73,05	2,34,27	2,93	6,84	88	1269	78	6,12	7,96,21	3,80	74,92	52,06	2,90	12,66	1,42,54	..	6,49,87
1960-61 (Revised)	1,59,17	3,88,16	2,59,51	2,94	7,34	88	13,57	78	8,93	8,41,28	4,10	75,10	86,98	2,91	13,79	1,78,78	..	6,58,40
1961-62 (Budget)	1,59,98	3,99,24	2,65,31	2,94	6,85	78	..	78	10,14	8,46,02	4,00	76,33	80,79	2,91	..	1,60,03	2,62	6,79,37

ANNEXURE III

GROSS TAX REVENUE COLLECTED AND COST OF COLLECTION

Year	Customs		Union Excise Duties		Taxes on income including Corporation Tax		Estate Duty		Taxes on Wealth		Expenditure Tax		Taxes on Railway Passenger Fares		Gift Tax		Other Tax Revenue		Total Tax Revenue		Net Tax Revenue
	Gross collections	Cost of collections	Gross collections	Cost of collections	Gross collections	Cost of collections	Gross collections	Cost of collections	Gross collections	Cost of collections	Gross collections	Cost of collections	Gross collections	Costof collections	Gross collections	Cost of collections	Gross collections	Cost of collections	Gross collections	Cost of collections	
1950-51 .	1,57,15	1,80	67,54	4,11	1,73,23	2,44	..	..	..	..	..	..	..	..	..	..	6,61	1,90	4,04,53	10,25	3,94,28
1951-52 .	2,31,69	1,80	85,78	6,55	1,87,60	2,70	..	..	..	..	..	..	..	..	..	..	7,78	1,83	5,12,85	12,88	4,99,97
1952-53 .	1,73,75	2,18	83,03	4,47	1,85,23	3,04	..	..	..	..	..	..	..	..	..	..	2,02	1,33	4,44,03	11,02	4,33,01
1953-54 .	1,58,71	2,80	94,98	3,31	1,64,39	3,24	..	..	..	..	..	..	..	..	..	..	2,51	1,34	420,59	10,69	4,09,90
1954-55 .	1,84,87	2,67	1,08,22	3,68	1,59,59	3,45	81	..	..	..	..	..	..	..	..	..	2,29	1,53	4,55,78	11,33	4,44,45
1955-56 .	1,66,70	3,72	1,45,25	3,04	1,68,41	3,81	1,81	..	..	..	..	..	..	..	..	..	2,90	1,93	4,85,07	12,50	4,72,57
1956-57 .	1,73,23	2,81	1,90,43	5,10	2,02,92	4,26	2,11	..	..	..	..	..	..	..	..	..	4,44	2,28	5,73,13	14,45	5,58,68
1957-58 .	1,79,99	3,07	2,73,62	5,61	2,19,84	4,65	2,30	..	7,04	..	..	..	3,68	..	..	..	9,30	3,22	6,95,77	16,55	6,79,22
1958-59 .	1,38,29	3,43	3,12,94	5,64	2,26,34	5,02	2,70	..	9,66	..	64	..	2,24	6	98	..	11,33	5,29	7,15,12	19,44	6,95,68
1959-60 .	1,56,11	3,57	3,60,65	6,18	2,55,41	5,33	2,91	..	12,11	..	79	..	12,81	9	80	..	10,69	5,66	8,12,28	20,83	7,91,45
1960-61 (Budget)	1,62,50	3,95	3,80,01	6,96	2,40,00	5,63	3,00	7	7,00	16	90	2	12,77	8	80	2	12,00	5,88	8,18,98	22,77	7,96,21
1960-61 (Revised)	1,63,00	3,83	3,94,98	6,82	2,65,00	5,49	3,00	6	7,50	16	90	2	13,67	10	80	2	15,12	6,19	8,63,97	22,69	8,41,48
1961-62 (Budget)	1,64,00	4,02	4,06,24	7,00	2,71,00	5,69	3,00	6	7,00	15	80	2	..	..	80	2	14,32	4,18	8,67,16	21,14	8,46,02

ANNEXURE IV
ANALYSIS OF INTEREST PAYMENTS INCLUDED IN ANNEXURE I

(In lakhs of Rupees)

Year	Interest on Ordinary Debt	Interest on unfunded debt and other obligations									Total Interest on Unfunded Debt & other Obligations	Amounts transferred to						Total Interest Payments (net)
		Bonus on P.O. Certificates	Post Office Savings Bank	State Provident Funds	Service Funds	Railway Reserve Fund	Railway Development Fund	Railway Depreciation Fund	P. & T. Renewals Reserve & other Funds	Other Items		Railways	Irrigation	Posts and Telegraphs	States	Other Heads	Total Transfers	
1950-51 . .	45,37	4,63	3,27	3,54	16	33	53	3,59	18	3,63	19,86	26,01	1	1,16	3,28	2,41	32,87	32,36
1951-52 . .	46,20	4,65	3,57	3,62	15	76	65	3,58	18	6,23	23,39	26,47	1	1,30	5,19	2,62	35,59	34,00
1952-53 . .	44,57	5,18	3,94	4,03	8	1,06	76	4,09	17	6,77	26,09	26,89	1	1,53	7,84	2,89	39,16	31,50
1953-54 . .	52,57	6,05	4,21	4,65	14	1,12	74	3,61	17	4,89	25,58	27,41	1	1,73	9,95	2,93	42,03	35,82
1954-55 . .	56,82	10,85		4,93	11	1,17	60	3,35	17	4,67	25,85	28,28	1	1,94	15,02	2,69	47,94	34,72
1955-56 . .	62,65	12,79		5,61	..	1,35	49	3,26	19	4,69	28,38	30,32	1	2,21	17,89	2,46	52,89	38,14
1956-57 . .	68,94	8,62	5,65	6,07	2	1,46	43	2,09	20	5,93	30,47	32,30	..	2,51	28,32	2,22	65,35	34,06
1957-58 . .	83,15	9,36	7,33	6,91	2	1,59	26	3,16	21	5,76	34,60	38,11	..	2,78	34,99	4,79	80,67	37,08
1958-59 . .	99,30	9,40	8,02	7,50	2	1,63	8	2,53	28	6,36	35,82	44,12	..	3,17	40,89	3,31	91,49	43,63
1959-60 . .	1,29,29	11,95	8,42	8,81	2	1,87	..	2,12	47	7,12	40,78	49,46	..	3,51	49,11	3,61	1,05,69	64,38
1960-61 (Budget)	1,48,59	14,27	8,95	9,51	2	1,83	..	91	54	7,18	43,21	51,63	..	4,00	61,97	4,61	1,22,21	69,59
1960-61 (Revised)	1,43,30	14,66	9,52	9,79	2	1,83	23	90	61	8,24	45,80	51,60	..	3,79	61,91	4,45	1,21,75	67,35
1961-62 (Budget)	1,59,66	16,37	10,47	11,13	2	1,75	38	53	79	12,52	53,96	56,55	..	4,27	71,55	4,35	1,36,72	76,90

ANNEXURE I

ANALYSIS OF "OTHER EXPENDITURE" INCLUDED IN ANNEXURE I

(In lakhs of Rupees

Year	Administrative Services	Social and Developmental Services	Forest Expenditure	Famine	Miscellaneous				Civil Works etc.	Contribution and Miscellaneous Adjustments (excluding States share of Union excise duties)		Total
					Superannuation Allowance and other Pensions	Stationery and Printing	Miscellaneous	Total		Grants in aid to States	other Miscellaneous adjustments	
1950-51 . .	21,30	27,50	1,36	6	6,99	1,54	44,28	52,87	6,98	15,57	2	1,25,60
1951-52 . .	24,09	29,58	1,37	39	8,55	1,41	54,79	65,14	7,96	17,29	2	1,45,45
1952-53 . .	23,30	28,41	92	13	7,84	2,64	38,25	48,86	7,91	22,73	7	1,32,20
1953-54 . .	26,74	37,43	1,01	..	8,60	2,81	20,71	32,12	9,25	25,87	4	1,32,46
1954-55 . .	30,62	44,49	1,21	..	8,87	2,31	18,68	29,86	9,05	29,75	4	1,45,02
1955-56 . .	33,57	60,51	1,68	..	8,97	2,43	48,82	60,22	7,64	35,80	7	1,99,49
1956-57 . .	38,06	84,23	2,14	7	8,97	1,27	42,34	52,65	10,54	28,21	5	2,15,88
1957-58 . .	42,00	1,26,00	3,02	2	9,24	2,98	61,03	73,25	13,41	45,85	5	3,03,60
1958-59 . .	48,10	1,45,39	3,37	4	9,52	3,54	73,05	86,11	13,11	46,16	9	3,42,37
1959-60 . .	52,04	1,73,97	4,05	4	9,97	3,18	90,41	1,03,56	11,96	48,78	16	3,94,56
1960-61 (Budget)	60,59	2,07,17	5,06	1	10,11	2,49	1,29,48	1,42,08	16,51	51,65	16	4,83,23
1960-61 (Revised)	61,53	1,98,52	4,83	9	10,33	3,44	1,23,82	1,37,59	17,49	51,65	22	4,71,92
1961-62 (Budget)	58,37	1,73,46	3,91	3	10,41	3,77	50,23	64,41	17,73	2,08,09	2,84	5,28,84

ANALYSIS OF EXPENDITURE ON "ADMINISTRATIVE SERVICES" INCLUDED IN ANNEXURE V

Year	General Administration	Audit	Administration of Justice	Jails	Police	External Affairs	*Tribal Areas	Total
1950-51	8,89	3,52	45	19	3,04	3,65	1,56	21,30
1951-52	9,94	4,01	42	20	3,80	3,98	1,74	24,09
1952-53	9,45	4,37	17	5	2,91	4,19	2,16	23,30
1953-54	10,96	4,81	18	4	3,16	4,56	3,03	26,74
1954-55	11,69	5,32	22	4	4,10	5,44	3,81	30,62
1955-56	12,70	5,45	21	4	4,17	5,99	5,01	33,57
1956-57	14,06	5,99	26	8	6,58	6,91	4,18	38,06
1957-58	14,74	6,47	39	13	7,81	7,00	5,46	42,00
1958-59	16,21	7,05	42	14	7,23	7,44	9,61	48,10
1959-60	15,75	7,51	45	16	8,61	8,91	10,65	52,04
1960-61 (Budget)	17,10	8,66	49	16	11,16	10,37	12,65	60,59
1960-61 (Revised)	17,03	8,53	52	19	12,74	10,37	12,15	61,53
1961-62 (Budget)	19,23	8,53	54	20	19,09	10,78	..	58,37

*With effect from 1961-62 expenditure relating to Tribal Areas would be adjusted under the relevant Major Heads most closely connected with the object of the expenditure.

ANNEXURE VII

ANALYSIS OF "SOCIAL AND DEVELOPMENTAL SERVICES" INCLUDED IN ANNEXURE V

Year	Ports and Pilotage	Mercantile Marine	Lighthouses and Lightships	Scientific Deptts.	Education	Medical	Public Health	Agriculture	Rural Development	Animal Husbandry	Co-operation	Industries and Supplies	Capetal outlay on industrial developmentment from Revenue	Aviation	Broadcasting	*Labour and Employment	Miscellaneous Deptts.	†Community Development N.E.S. and Local Development Works	Total
1950-51	63	..	12	4,35	3,23	1,32	68	2,33	2	32	3	6,55		2,89	1,72	..	3,31	..	27,50
1951-52	72	..	16	5,18	4,08	1,51	80	2,21	2	32	4	6,09		2,66	1,95	..	3,84	..	29,58
1952-53	83	..	20	6,24	3,32	72	69	2,22	..	30	1	5,48		2,72	1,92	..	3,76	..	28,41
1953-54	77	..	19	6,80	4,30	74	87	2,34	..	34	1	12,38		2,39	2,09	..	4,21	..	37,43
1954-55	80	..	23	7,60	9,43	1,23	1,51	3,29	1	34	1	11,61		2,44	2,26	..	3,73	..	44,49
1955-56	89	..	35	8,92	14,23	1,46	2,36	6,57	30	51	6	13,76		2,53	2,68	..	5,89	..	60,51
1956-57	80	..	45	11,33	19,44	2,87	3,65	7,46	48	93	74	20,93		2,79	3,18	..	9,18	..	84,23
1957-58	79	..	17	13,23	20,98	4,52	8,69	10,61	72	95	99	47,05		2,89	3,45	..	10,96	..	1,26,00
1958-59	20	56	57	16,44	27,89	5,64	7,77	12,37	88	1,15	1,86	49,29		3,15	3,91	..	13,71	..	1,45,39
1959-60	46	64	63	19,72	36,69	6,68	8,06	13,85	86	2,13	2,51	53,11	..	9,03	4,20	..	15,40	..	1,73,97
1960-61 (Budget)	39	68	74	23,51	45,35	8,83	12,02	14,51	1,00	2,82	3,53	64,46	..	3,76	4,56	..	21,01	..	2,07,17
1960-61 (Revised)	40	68	80	23,08	44,16	8,28	10,44	14,37	1,00	2,77	3,40	60,08	5	3,71	4,42	..	20,88	..	1,98,52
1961-62 (Budget)	39	75	81	26,59	29,55	7,12	5,70	9,99	1	1,37	2,63	53,70	6	3,74	4,72	4,17	20,20	1,96	1,73,46

NOTE: From 1961-62 all the grants to States for the Social and Developmental services are being booked under the Head 'Grants in aid to States' as shown in Annexure V—Details of Grants in-aid are given in Section I—Expenditure Estimates

*Till 1960-61 expenditure relating to "Labour and Employment" was recorded under Major Heads "Miscellaneous Departments" and "Miscellaneous."

†Till 1960-61 expenditure under this Head was included in Section "Extraordinary Items" and appears in Annexure I.

ANNEXURE VIII

SUMMARY OF IMPORTANT NEW ITEMS OF EXPENDITURE

A list of important new items of expenditure costing Rs. 5 lakhs and above as included in the Budget for 1961-62 has been given as an annexure to the Demands for Grants of the Ministries concerned. A summary of these items according to each Ministry is given below:—

Name of the Ministry, etc.	*No. of items*	*Amount* (In thousands of Rupees)
Ministry of Commerce and Industry ..	56	90,15,41
Ministry of Community Development and Co-operation ..	20	44,38,36
Ministry of Education ..	22	40,93,81
Ministry of External Affairs ..	22	9,51,80
Ministry of Finance ..	22	1,34,81,20
Ministry of Food and Agriculture ..	79	3,48,23,12
Ministry of Health ..	36	20,01,63
Ministry of Home Affairs ..	48	38,51,02
Ministry of Information and Broadcasting ..	2	67,89
Ministry of Irrigation and Power ..	21	4,53,22
Ministry of Labour and Employment ..	10	6,49,89
Ministry of Rehabilitation ..	18	26,13,24
Ministry of Scientific Research and Cultural Affairs ..	31	22,46,11
Ministry of Steel, Mines and Fuel ..	26	1,69,25,16
Ministry of Transport and Communications	37	54,25,75
Ministry of Works, Housing and Supply ..	21	25,41,85
Department of Atomic Energy ..	17	10,88,19
Total	488	10,46,67,65

ANNEXURE IX

PROVISION FOR PLAN EXPENDITURE

(In thousands of Rupees)

Part A—Schemes included in the Second Plan

Demand	Particulars	Budget, 1960-61	Revised, 1960-61
	(A) REVENUE BUDGET		
2.—Industries	Government Machine Tools Training Centre	2,95	2,95
	Small Industries Service Institute	1,00,40	1,03,62
	Development Commissioner, Small Scale Institute	16,49	20,34
	Central Sericultural Research Station	2,50	50
	Prototype production *cum*-training centre	..	2,73
	Development of Handloom Industry	33,89	36,89
	Central Industrial Extension Training Institute	..	15
	Development of Handicrafts	33,78	30,74
	Grants to States for—		
	Development of Handloom Industry	2,55,00	3,00,00
	Development of Handicrafts	45,00	45,00
	Small Scale Industries	1,25,00	1,25,00
	Silk Industry	40,00	40,00
	Coir Industry	4,00	4,00
	Industrial scheme for Rehabilitation of Displaced Persons	96	50
	Conversion of Handlooms into Powerlooms	3,00	3,00
	Subsidy to States in lieu of concession in the rate of interest on loans	4	1
	Industrial Co-operatives	..	2,00
	Grants to Others for—		
	Indian Standards Institute	15,10	16,10
	Development of Khadi Industry (Traditional)	3,56,00	3,56,00
	Ambar Charkha	5,47,00	2,76,50
	Silk Industries	7,82	4,35
	Development of Handicrafts	4,00	7,38
	Development of Handloom Industry	20,00	14,00

(In thousands of Rupees)

Demand	Particulars	Budget, 1960-61	Revised, 1960-61
2.—Industries—*Concld.*	Central Silk Board	4,91	4,89
	National Small Industries Corporation	66,15	42,80
	National Productivity Council.	19,47	21,14
	Indian Handicrafts Development Corporation	6,00	5,50
	Village Industries	2,50,00	2,50,00
	Development of Small Scale Institute	4,63	2,71
	Payment of subsidy to Khadi and Village Industries Commission in lieu of concessional rate of interest	3,22,00	3,64,00
	Subsidy on Tin Plates, etc. Industries	2,00	1,00
	National Industrial Development Corporation	9,50	8,96
	Socio Economic Programme	5,00	5,00
	TOTAL	23,02,59	20,97,76
3.—Salt	Salt works	5,50	5,20
5.—Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry.	Adoption of Metric system of Weights and Measures	22,00	22,00
7.—Community Development Projects, National Extension Service and Co-operation.			
	Community Development Projects	16,50,00	16,94,80
	Orientation and Study Scheme	18,13	14,72
	Social Education Organisers Training Scheme	11,24	11,92
	Study Tours and In-service Training	75	75
	Training of Village Leaders and Youth	7,00	3,55

(In thousands of Rupees)

Demand	Particulars	Budget, 1960-61	Revised, 1960-61
7.—Community Development Projects, National Extension Service and Co-operation—*Concld.*	Central Institute for Study and Research on Community Development	6,79	9,76
	Prize Competition	1,87	2,42
	Other Grants for Co-operation Schemes	67,00	57,01
	Grant to National Co-operative Training and Ware-Housing Board	2,67,00	2,66,00
	Apprenticeships in Village Development to University Students and Teachers	1,13	1,52
	Training of Non-official members of Block Development Committees	20,00	15,55
	Training of Panchayat Secretaries	36,00	7,00
	Advisory Board on Training	..	18
	Institute for Instruction on Community Development	2,29	2,52
	Production of Literature	10,50	11,00
	TOTAL	20,99,70	20,98,70
14.—Education	Grants-in-aid to University Grants Commission	5,45,00	5,90,00
	Grants to Non-Government Arts Colleges.	1,27	32
	Grants to Local Bodies, Voluntary organisations for Secondary Education	6,30	3,25
	Scholarships to foreigners for studies in India	5,25	2,81
	Studies and training abroad	25	..
	Scholarships to the Handicapped.	2,28	2,18
	Scholarships for post-Matriculation studies in India	9,40	7,90
	Research Scholarships in Humanities	2,25	1,90
	National Institute of Basic Education	1,96	2,52

(In thousands of rupees)

Demand	Particulars	Budget 1960-61	Revised 1961-62
14.—Education—*Concld.*	Grants to Local Bodies, Voluntary organisations for Primary Education	3,90	3,90
	Scholarships for studies in Hindi to candidates from non-Hindi speaking areas	3,00	2,25
	National Fundamental Education Centre	2,76	2,62
	Model School for Blind Children	1,17	1,09
	Grants for Social Education and Welfare	16,46	15,58
	Other expenditure for Social Education and Welfare	3,62	1,58
	Expenditure on Workshop and training for the blind	1,57	1,19
	Expenditure on Audio-Visual Education	15	5
	Grants for development of Hindi and other State Languages	7,00	5,00
	Other expenditure on development of Hindi and other State languages	13,00	7,00
	Scholarships to destitute children from West Pakistan	75	75
	Miscellaneous grants to State Governments for—		
	(i) Centrally aided Schemes	17,00,00	17,00,00
	(ii) Centrally Sponsored and other Schemes	5,51,14	5,35,81
	Other miscellaneous grants	48,57	44,27
	Grants for Physical Education and Youth Welfare	1,00,55	91,70
	Other expenditure for Physical Education and Youth Welfare	7,48	7,38
	Other miscellaneous expenditure	5,14	4,69
	TOTAL	30,40,22	30,35,74

(In thousands of Rupees)

Demand	Particulars	Budget, 1960-61	Revised, 1960-61
15.—Miscellaneous Departments and other Expenditure under the Ministry of Education.	Director of Archives	1,05	91
	Social Welfare Board	2,72,13	2,18,12
	Grants to U.N.E.S.C.O.	1,66	1,66
	Other Schemes	55,57	59,56
	TOTAL	3,30,41	2,80,25
16.—Tribal Areas.	Political and Administrative Charges	44	43
	Works	5,70	4,97
	Forest	8,07	7,59
	Education	8,21	4,97
	Medical	17,49	7,80
	Public Health	3,03	5,58
	Agriculture	7,10	5,33
	Industries	2,20	1,39
	Community Development Projects	12,96	10,00
	Miscellaneous	3,89	3,45
	TOTAL	69,09	51,51
17.—Naga-Hills-Tuensang Area.	Industries & Suplies	50	..
	Forest	2,00	2,00
	Education	7,30	4,46
	Medical	10,15	8,50
	Public Health	5,68	5,58
	Agriculture	6,04	4,52
	Animal Husbandry	1,78	78
	Co-operation	33	10
	Miscellaneous Expenditure	1,30	63
	Community Development Projects	14,75	10,92
	TOTAL	49,83	37,49

(In thousands of Rupees)

Demand	Particulars	Budget, 1960-61	Revised, 1960-61
19.—State of Pondicherry	Establishment of Medical College	42,00	30,37
	Cooperative Scheme	92	92
	Employment Exchange	8	8
	State Social Welfare Board	50	30
	Expenditure on Welfare of Backward classes	1,91	1,93
	Community Development Projects and National Extension Service	8,30	6,92
	Development Schemes	79,64	78,30
	Construction of a new pier	11,40	5,80
	Industries and Supplies	1,00	1,00
	TOTAL	1,45,75	1,25,62
32.—Miscellaneous Departments and other Expenditure under the Ministry of Finance	Lump provision for Schemes of Public Co-operation	12,00	10,00
	Miscellaneous Development Schemes	30,00	30,00
	TOTAL	42,00	40,00
33.—Planning Commission	Research Programme Committees' Schemes	11,00	8,22
34.—Grant-in-aid to States	Grants under provisos to Art. 275 of the Constitution	12,15,00	12,15,00
38.—Forest	Central Forestry Schemes	7,17	7,14
	Coimbatore Forest College	1,59	85
	Extension centre in Rajasthan	7,71	5,33
	Development of Forest Research	3,01	45
	Desert Afforestation and Soil Conservation Station	11,64	7,60
	Grants to State Governments for Forestry and Soil Conservation Schemes	1,93,00	1,93,00
	Soil Conservation Research and Demonstration Centres	16,47	15,45
	TOTAL	2,40,59	2,29,82

(In thousands of Rupees)

Demand	Particulars	Budget, 1960-61	Revised, 1960-61
39.—Agriculture	Grants to State Governments for—		
	(1) Agricultural Production	7,36,53	7,35,53
	(2) Fisheries	50,76	50,76
	Other Grants	17,26	13,74
	Fertilizer Demonstration Scheme	15,50	15,50
	Exhibitions	2,00	1,84
	Production of Literature	10,23	10,00
	Locust Warning Organisation	64	59
	Local costs of Experts assigned under the T. C. A. Programme	2,04	..
	Intensive Agricultural Programme	..	18,93
	Directorate of Extension Training	1,30	1,29
	Training scheme for Tractor operators	4,58	3,08
	Extension Teachers Training Institutes	..	2,00
	Directorate of Plant Protection Quarantine and Storage	9,19	9,74
	Directorate of Economics and statistics	4,13	4,07
	Agricultural Marketing Schemes	9,98	10,15
	Central Mechanised Farm	29,09	38,08
	Nilokheri Training Centre	..	10
	Project for Ground Water Exploration under T. C. A. Programme	64,30	62,30
	Award of Community Prices	..	13,00
	TOTAL	9,57,53	9,90,70
40.—Agricultural Research	Indian Agricultural Research Institutes	30,58	30,49
	Agricultural Experiments and Research	8,60	7,15
	Indian Council of Agricultural Research	3,10	1,55
	Grants to Indian Council of Agricultural Research	9,96	9,86

(In thousands of Rupees)

Demands	Particulars	Budget, 1960-61	Revised, 1960-61
40.—Agricultural Research *Concld.*	Grants to States for Agricultural Research	52,74	52,74
	Grants to Others	68,32	85,98
	Fisheries	42,34	34,86
	TOTAL	2,15,64	2,22,63
41.—Animal Husbandry	Grants to States for Veterinary Schemes	1,97,67	1,91,71
	Indian Veterinary Research Institute	11,46	5,93
	Vaccination of Animals against Rinderpest	6,80	5,65
	Grants to I.C.A.R.	5,29	4,02
	Grants to Central Council of Gosamvardhan	8,74	7,22
	Grants to Osmania University	15	15
	TOTAL	2,30,11	2,14,68
42.—Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture.	Zoological Park	4,00	4,25
	Grants to States for—		
	Rural Development	1,05,42	1,00,43
	Dairy Development	1,10,00	1,10,00
	Fuel Economic *cum* Extension Service Scheme	2,16	1,59
	Other Grants	11,51	12,32
	Delhi Milk Supply Scheme	4,36	2,93
	Dairy Education	13,58	14,21
	TOTAL	2,51,03	2,45,73
44.—Medical and Public Health.	All India Institute of Medical Sciences	35,46	1,09,21
	Grants to Medical Colleges, Research Institutions and Hospitals	49,42	42,73
	Grants for Development of Unani, Homoeopathic and Nature cure System	30,00	30,00
	Expansion of the Lady Hardinge College	5,00	5,00

(In thousands of Rupees)

Demands	Particulars	Budget, 1960-61	Revised, 1960-61
44.—Medical and Public Health—*contd.*	Training and Research in Medical Statistics . .	25	16
	Assistance to State Govts. for medical sc emes . .	3,99,46	3,63,67
	Medical Establishment . .	40	..
	Drugs Technical Advisory Board	..	45
	Training centres for Integrated courses of Nursing and Public Health	1,05	1,83
	Public Health Establishments	4,13	5,25
	Grants to States for—		
	Primary Health Centre and Family Planning . .	2,23,00	1,81,56
	T. B. Leprosy and other Voluntary Institutions . .	15,00	15,00
	B. C. G. Vaccination campaign, Control of leprosy, Veneral diseases, eradication of smallpox, subsidy to States for malaria eradication programme and establishment of T.B. isolation beds . . .	2,91,75	1,50,32
	Training of Dais, Health Visitors and Health Personnel	21,84	18,60
	Public Health Laboratory and Health Education Bureau in States	10,45	7,61
	Family Planning . . .	55,00	55,00
	Training in Public Health Engineering	3,57	3,23
	Material and Equipment .	1,00	41
	Grant to Central Leprosy Teaching and Research Institute	5,00	5,00
	Trachoma Control Project .	3,08	..
	Social and Moral Hygiene .	20	20
	Grant to Indian Council of Medical Research . .	60,00	50,00
	National Malaria Eradication Programme . . .	30,70	9,86,71
	National Filaria Control Programme	1,05,66	45,83
	Training of Public Health Personnel of C. D. Projects . .	7,00	7,36

(In thousands of Rupees)

Demands	Particulars	Budget, 1960-61	Revised, 1960-61
44.—Medical and Public Health—*concld.*	Union Mission T. B. Sanatorium Madanapalle	75	57
	National T. B. Training Institute, Bangalore	6,00	4,83
	Central Food Laboratory, Calcutta	44	1,28
	Open air T. B. Centres	5,00	5,40
	Establishment of V. D. Centres	1,72	1,08
	Expenditure on Leprosy Control	7	7
	TOTAL	13,72,40	20,98,36
52.—Statistics	Grants-in-aid to State Govts. for statistical purposes	22,00	21,00
	Multipurpose Sample Survey	16,91	20,62
	Other Grants	15,00	5,00
	TOTAL	53,91	46,62
54.—Delhi	Land Revenue	1,00	50
	Forest	2,26	2,08
	Irrigation Works	71	1,38
	General Administration	77	71
	Education	98,56	1,20,49
	Medical	15,45	13,66
	Public Health	4,93	4,74
	Agriculture	7,58	6,31
	Animal Husbandry	1,37	1,30
	Co-operation	4,29	4,34
	Industry and Supply	4,62	4,27
	Miscellaneous Departments	1,09	1,10
	Miscellaneous	97,79	72,18
	Community Development Projects and National Extension Service	4,63	5,63
	TOTAL	2,45,05	2,38,69

(In thousands of Rupees)

Demands	Particulars	Budget, 1960-61	Revised, 1960-61
55.—Himachal Pradesh	Land Revenue	2,10	4,65
	Forests	8,47	7,64
	Irrigation Works	9,00	5,06
	Education	17,87	22,15
	Medical	3,09	3,05
	Public Health	16,42	23,07
	Agriculture	18,78	23,73
	Animal Husbandry	5,63	7,35
	Co-operation	5,64	5,44
	Development of Cottage and Small Scale Industries	16,60	8,38
	Miscellaneous Departments	2,12	1,88
	Electricity Schemes	10,54	9,02
	Road Transport Schemes	10,10	8,59
	Miscellaneous	68,38	82,56
	Community Development Projects	61,60	54,98
	TOTAL	2,56,34	2,67,55
56.—Andaman and Nicobar Islands	Forest Development Schemes	..	9,85
	Educational Development Schemes	5,33	5,11
	Medical Schemes	90	1,90
	Development Schemes under Agriculture	6,01	5,93
	Animal Husbandry	2,34	1,35
	Public Health Schemes	1,26	1,17
	Extension and Development of Co-operation	74	14
	Industry and Supply	2,63	1,94
	Expenditure on Bus Services	65	56
	Community Development Project	4,26	5,00
	Miscellaneous Plan Schemes	5,71	5,67
	TOTAL	29,83	38,62

(In thousands of Rupees)

Demands	Particulars	Budget, 1960-61	Revised, 1960-61
57.—Manipur	Forest Development Schemes	1,05	1,05
	Plan Publicity	1,32	1,27
	Educational Development Schemes	6,61	5,68
	Public Health Schemes	12,70	10,84
	Agricultural Development Schemes	3,65	3,67
	Veterinary Schemes	1,38	2,01
	Co-operative Development Schemes	..	1,23
	Industrial Development Schemes	4,10	4,10
	Fisheries Development Schemes	1,01	1,01
	Welfare of Scheduled castes and Scheduled Tribes	34,43	36,25
	Grants to Manipur Territorial Council	42,24	48,71
	Miscellaneous Schemes	97	92
	Provision of Statistical Organisation	31	34
	Provision for Development Projects, Local Development Works and National Extension Service	27,49	26,91
	Road Transport Scheme	9,84	9,96
	TOTAL	1,47,10	1,53,95
58.—Tripura	Flood Control	2,25	..
	Forest	3,49	3,30
	Education	13,88	13,45
	Medical	1,32	2,71
	Public Health	3,94	3,07
	Agriculture	12,98	12,15
	Co-operation	3,48	3,37
	Development of Industries	11,90	10,94
	Vocational Training	7	7
	Statistical Department	9	30
	Electricity Schemes	60	92
	Schemes relating to care and after-care Programme	2,83	3,10
	Grant to Agartala Municipality	..	1,30
	Grant to Tripura Territorial Council	76,88	77,14

(In thousands of Rupees)

Demands	Particulars	Budget, 1960-61	Revised, 1960-61
58.—Tripura—*concld.*	Publicity	59	55
	Welfare of Scheduled Castes and Scheduled Tribes	31,40	36,33
	Employment and Market Information	5	5
	Training of Craftsmen	4,71	3,22
	Employment Exchanges	16	18
	Schemes under the Village Panchayat Act	..	10
	Community Development Projects and National Extension Service	13,98	18,63
	TOTAL	1,84,60	1,90,88
59.—Laccadive, Minicoy and Amindivi Islands.	Development Schemes for Education	4,05	4,12
	Medical	2,33	2,05
	Public Health	92	97
	Agriculture	3,19	3,03
	Animal Husbandry	10	16
	Co-operation	5	5
	Cottage Industries	83	84
	Road and Transport Scheme	1,86	3,94
	Publicity Schemes	20	20
	Blasting of rocks and provision of buoys	2,00	..
	Provision for miscellaneous schemes	7	6
	TOTAL	15,60	15,42
60.—Miscellaneous Departments and Expenditure under the Ministry of Home Affairs.	Central Bureau of Correctional Services	1,77	51
	Social and Moral Hygiene and After-care Services	32,00	22,00
	Grants to States for the Welfare of Backward Classes	7,25,00	7,35,00
	TOTAL	7,58,77	7,57,51
61.—Ministry of Information and Broadcasting.	General Administration	98	77
62.—Broadcasting	Grants-in-aid to State Governments for Community Listening Schemes	15,00	15,00
	Allowances to Artists	1,03	1,03
	TOTAL	16,03	16,03

(In thousands of Rupees)

Demands	Particulars	Budget, 1960-61	Revised, 1960-61
63.—Miscellaneous Departments and other expenditure under the Ministry of Information and Broadcasting.	Press Publicity	7,75	6,21
	Photographs Publicity	1,83	1,83
	Publications Division	7,20	8,00
	Plan Publicity	23,00	22,78
	Directorate of Advertising and Visual Publicity	44,76	41,08
	Directorate of Field Publicity	1,03	88
	Grants to Children Film Society and Social Welfare Agencies	14,25	13,55
	Films Division	19,44	20,36
	Song and Drama Division	5,73	5,67
	Films Production Bureau	67	..
	Films Institute	1,55	1,25
	TOTAL	1,27,21	1,21,61
65.—Multipurpose River Schemes.	Central Water and Power Research Station	11,43	7,14
	Investigation on Multipurpose River Schemes	1,52,17	95,87
	Flood Control	8,59	11,45
	Applied Research for development of power generating unit	2	1
	TOTAL	1,72,21	1,14,47
66.—Miscellaneous Departments and other expenditure under the Ministry of Irrigation and Power.	Central Water and Power Commission (Power Wing)	2,86	6,90
	Power Research Institute, Bangalore	..	1,27
	Fundamental and Basic Research	11,00	18,50
	Flood Control Wing	..	6,14
	Survey of Damodar Valley Corporation Area	1,00	2,22
	TOTAL	14,86	35,03
67.—Ministry of Labour and Employment.	General Administration	6	4
68.—Chief Inspector of Mines.	Barrier Survey in Coal Mines	2,06	17

(In thousands of Rupees)

Demands	Particulars	Budget, 1960-61	Revised, 1960-61
70.—Miscellaneous Departments and other expenditure under the Ministry of Labour and Employment.	Labour Bureau	5,14	5,89
	Chief Adviser of Factories	2,59	2,99
	Workers Education	14,00	11,00
	Miscellaneous and unforeseen charges	..	2
	Local Cost of Foreign Experts	10	..
	Central Government's Contribution to State Governments for training of craftsmen, etc.	4,85,46	3,56,60
	National Council for training of Vocational Trades	29	24
	Training of Welfare Personnel.	6	2
	Assessment of Educational and Technical Training	10	13
	Survey of Graduate Employment	34	45
	Scheme for the training of Displaced Persons from West Pakistan	37,79	16,31
	Purchase of equipment from abroad for training in crafts	11,81	3,47
	Central Labour Institute	72	76
	Central Training Institute for Instructors	21,84	11,97
	Training of Craftsmen	1,06	1,05
	Special Employment Exchange for Domestic servants	28	20
	Equipment under I.L.O. Aid for Training	1,12	76
	TOTAL	5,82,70	4,11,86
75.—Expenditure on displaced persons and Minorities.	Education	1,75,99	1,45,67
	Other Grants	64,46	70,03
	Expenditure on Miscellaneous Schemes	51,43	47,27
	TOTAL	2,91,88	2,62,97
76.—Ministry of Scientific Research and Cultural Affairs.	Gazetteer unit	2,35	1,55
	History of freedom movement	73	60
	Technical Education	..	12
	TOTAL	3,08	2,27

(In thousands of Rupees)

Demands	Particulars	Budget, 1960-61	Revised, 1960-61
77.—Archaeology . .	Development of Archaeology .	14,89	8,00
78.—Survey of India .	Expansion and Mechanisation of the Survey of India .	48,33	43,61
79.—Botanical Survey .	Botanical Survey . . .	8,88	7,38
80.—Zoological Survey .	Zoological Survey . . .	7,50	5,12
81.—Scientific Research and Cultural Affairs.	Anthropological Survey .	4,67	3,26
	Vigyan Mandirs . . .	8,00	6,89
	Council of Scientific and Industrial Research . .	2,60	..
	Grants to State Governments for Scientific and Technical Education	2,94,00	2,94,00
	Grants to Scientific Societies and Institutes . . .	1,71,00	1,71,00
	Grants for Scientific Research .	1,23,00	1,11,32
	Grants to the Council of Scientific and Industrial Research	1,74,64	1,84,64
	Reorganisation and Development of Museums	1,13,81	32,65
	Geophysics Research Wing .	6,02	1,25
	Delhi Polytechnic . . .	5,40	3,56
	Studies and Training abroad .	5,62	1,69
	Scholarships for Studies in Technical and other Institutes in India	2,47	2,51
	Other Grants . . .	2,79,14	3,34,27
	Indian School of Mines .	8,45	5,49
	Compilation of National Atlas of India	9,22	7,50
	TOTAL .	12,08,04	11,60,03
82.—Miscellaneous Departments and Expenditure under the Ministry of Scientific Research and Cultural Affairs.	Central Reference Library .	2,43	2,03
	Expenditure on Buildings of Indian Council for Cultural Relations	5,78	5,03
	Total	8,21	7,06
84.—Geological Survey .	Geological Survey . . .	1,40,38	1,37,48
85.—Miscellaneous Deptts. and Other Expenditure under the Ministry of Steel, Mines and Fuel.	Expansion Scheme of the Indian Bureau of Mines . . .	41,15	41,61

(In thousands of Rupees)

Demands	Particulars	Budget, 1960-61	Revised, 1960-61
89.—Mercantile Marine .	Administrative Expenses for Shipping Development Fund Committee	50	10
	Subsidies to shipowners .	3,00	5,00
	Subsidy to Shipping Development Fund . . .	1,00	1,00
	TOTAL . .	4,50	6,10
90.—Light-houses and Light-ships.	Improvement of aids to navigation along the coast of India	75,00	68,00
93.—Aviation . . .	Indian Meteorological Department	1,25	1,25
95.—Communications (including National Highways).	Roads other than National Highways	8,00	7,00
	Grants-in-aid . . .	10,00	10,00
	Tools and Plant . . .	15,00	15,00
	TOTAL .	33,00	32,00
96.—Miscellaneous Departments and Expenditure under the Ministry of Transport and Communications.	Development of Tourist Centres . . .	39,30	35,57
	Hydrographic Surveys .	..	19
	River Conservancy . . .	7,50	7,50
	Development of Pandu and other Inland Ports . . .	22,30	9,88
	Subsidy to Ship Building Industry	1,25,00	1,40,00
	Grants to States for the Construction of dredgers . .	..	4,14
	TOTAL .	1,94,10	1,97,28
98.—Supplies	Government Test House.	3,32	86
101.—Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply.	Grants to States for setting up Rural Housing Cells.	5,00	5,00
	TOTAL—REVENUE BUDGET . .	1,72,96,21	1,74,14,65

(In thousands of Rupees)

Demands	Particulars	Budget, 1960-61	Revised, 1960-61
	B—CAPITAL BUDGET		
109.—Capital Outlay of the Ministry of Commerce and Industry.	Bayer's Intermediate Project .	10,00	..
	Drugs and Pharmaceutical Project	60,00	1,00
	Naharkatiya Fertilizers	5,00	..
	Heavy Structural Project .	5,00	1,00
	Purchase of shares of Hindustan Chemicals and Fertilisers Ltd.	8,88,00	6,54,00
	Heavy Plate & Vessels Project.	5,00	1,00
	Purchase of shares of Heavy Electricals Ltd. . .	8,85,00	9,5 ,00
	Purchase of shares of Hindusthan Organic Chemicals, Ltd.	..	40,00
	Hindustan Photo Film Manufacturing Corporation .	..	15,00
	Fertilizers Corporation of India	..	36,00
	Purchase of shares of Indian Handicrafts Development Corporation	..	3,00
	Purchase of shares of Hindustan Machine Tools, Ltd. .	..	30,00
	Purchase of shares of Heavy Engineering Corporation .	5,00,00	5,00,00
	Purchase of shares of National Industrial Development Corporation . . .	10,00	34,00
	Capital Outlay on Salt Works	14,14	6,50
	Institute for Small Scale Industries	19,00	16,92
	Machine Tools Training Centre	3,75	..
	TOTAL .	24,04,89	22, 88,42
110—Capital Outlay of the Ministry of Community Development and Co-operation.	Contribution to the share capital of co-operative societies in the Union Territories .	4,25	4,25
	Contribution to National Co-operative Development and Warehousing Board . .	5,10,75	4,80,00
	TOTAL .	5,15,00	4,84,25

(In thousands of Rupees)

Demands	Particulars	Budget, 1960-61	Revised, 1960-61
114.—Capital Outlay on India Security Press .	Buildings	6,00	65
115.—Capital Outlay on Currency and Coinage.	Buildings	4,00	3
	Security Paper Mill . .	10,00	2,00
	TOTAL . .	14,00	2,43
116.—Capital Outlay on Mints.	Buildings	4,71	3,53
118.—Other Capital Outlay of the Ministry of Finance.	Grants to State Governments for Local Development Works.	4,00,00	3,96,91
120.—Loans and Advances by the Central Government.	(*a*) *Advances to State Governments for*—		
	Industrial Estates . .	2,80,00	2,80,00
	Development of Handloom Industries	1,07,00	1,07,00
	Conversion of Handloom into Powerloom . . .	70,00	60,00
	Development of Small Scale Industries	3,70,00	3,70,00
	Development of Coir Industries	18,48	18,48
	Development of Silk Industry .	21,36	21,36
	Industrial Schemes . .	2,00,00	2,00,00
	Development of Handicrafts .	17,00	17,00
	Rehabilitation Schemes . .	45,00	4,00
	Adoption of Metric system of Weights and Measures .	22,00	22,00
	Participation in share capital of Co-operative Societies .	8,00	2,38
	Community Development Projects and National Extension Service Schemes . .	14,00,00	14,00,00
	Construction of hostels for Educational Institutes under Educational Development Schemes . . .	45,00	45,00

(In thousands of Rupees)

Demands	Particulars	Budget, 1960-61	Revised, 1960-61
120.—Loans and Advances by the Central Government—*Contd.*	Miscellaneous Development Purposes	38,50,00	57,97,00
	Agricultural Production .	51,50,70	44,46,00
	Animal Husbandry, Dairying and Fisheries . . .	2,70,55	2,84,12
	Forest and Soil Conservation Schemes	3,67,00	3,67,00
	Regulated Markets . .	13,00	..
	Urban Water Supply and Drainage Schemes . . .	9,00,00	8,59,00
	For Corporation Water Supply and Drainage Schemes .	3,00,00	2,67,00
	Equipments received under T.C.A. and Colombo Plan for Irrigation purposes.	1,00,00	66,85
	Miscellaneous Irrigation Purposes	78,33,82	69,19,12
	Permanent Improvement in Scarcity affected Areas . .	47,46	25,47
	Flood Control . .	7,26,48	7,27,48
	Expansion of Power Facilities for increasing Employment .	75,00	43,58
	Railway Electrification . .	3,30,00	3,30,00
	Rural Electrification . .	..	1,00,00
	Rehabilitation Purposes . .	8,05,70	3,80,07
	Construction of Students' hostels of Engineering and Technical Institutions . .	1,04,00	1,04,00
	Government of Rajasthan for Mineral Development Scheme	..	5,00
	Government of Mysore for the Development of Hutti Gold Mines	19,50	19,68
	Government of Madhya Pradesh for the Development of Korba Coalfields . .	..	1,12,00
	Minor Ports Development Schemes	50,00	50,00

(In thousands of Rupees)

Demands	Particulars	Budget, 1960-61	Revised, 1960-61
120.—Loans and Advances by the Central Government—*Contd.*	Industrial Housing Schemes	3,50,00	4,29,20
	Rural Housing Schemes	2,33,50	2,66,00
	Plantation Labour Housing Schemes	9,50	12,00
	Low and Middle Income Group Housing Schemes	8,60,00	6,51,22
	Slum Clearance	1,62,14	1,62,14
	Land Acquisition and Development	2,41,00	2,91,00
	(*b*) *Other Loans and Advances*		
	Development Schemes of Major Ports	3,00,00	2,00,00
	Municipalities in Pondicherry	2,00	2,00
	Delhi Municipal Corporation for Water Supply and Disposal Committee	1,72,00	1,71,97
	Local Bodies in Union Territories for Water Supply and Drainage Schemes	6,00	7,43
	Delhi Municipal Corporation for Delhi Electric Supply Undertaking	1,00,00	..
	Material and Equipment under T.C.A. Programme for Delhi Electric Supply Undertaking	..	13,49
	Delhi Municipal Corporation for the Delhi Transport Undertaking	40,00	40,00
	Delhi Municipal Corporation for slum clearance	56,25	56,25
	Agriculturists in Pondicherry	79	2,25
	Grow More Food Purposes	2,00	2,00
	Horticultural Schemes in Union Territories	3,87	5,87
	Agriculturists in Andamans.	2,16	1,76

(In thousands of Rupees)

Demands	Particulars	Budget, 1960-61	Revised, 1960-61
120.—Loans and Advances by the Central Government—*Contd.*	C. D. Schemes in Delhi	2,80	2,10
	C. D. Schemes in Andaman and Nicobar Islands	54	54
	C. D. Schemes in Pondicherry	1,19	1,15
	Co-operative Societies in Union Territories for construction of godowns	3,00	3,00
	Co-operative Farming Societies in Union Territories	2,00	..
	Construction of Hostels for Educational Institutions under the Educational Development Schemes	10,00	5,00
	Universities and Constituent Colleges of Delhi University	12,00	2,50
	Co-operative Societies in Pondicherry for Industrial Purposes	74	1,13
	Fisheries in Pondicherry	5	20
	Development of Power in Pondicherry	3,00	50
	State Aid to Industries in Pondicherry	4,28	1,66
	Rehabilitation Finance Administration	10,00	10,00
	Industrial Credit and Investment Corporation of India	2,00,00	1,00,00
	Industrial Finance Corporation	9,00,00	9,00,00
	Voluntary Organisations	6,00	2,50
	Soil Conservation scheme in Himachal Pradesh	1,40	96
	Regulated Markets	50	..
	Increasing Milk Supply in Rural Areas	3,00	3,00
	Poultry and Piggery Schemes in Delhi	11	11

(In thousands of Rupees)

Demands	Particulars	Budget, 1960-61	Revised, 1960-61
120.—Loans and Advances by the Central Government—*contd.*	Establishment of Fruit Preservation Factories . . .	3,00	. .
	Fishermen Co-operative Society in Andamans . . .	8	8
	Co-operative Societies in Andamans for Construction of Godowns.	10	10
	Advances for Colonisation Schemes in Andamans .	8,65	8,65
	Welfare of Harijans and Backward Classes . . .	1,00	1,09
	Construction of staff quarters at Engineering Institutes .	5,00	5,00
	Construction of Students Hostels under the Scheme of Development of Scientific and Technical Education . .	1,21,00	1,21,00
	Institutions and Private Bodies for construction of Hostels under the Practical Training Stipends Scheme . .	5,00	1,85
	C. S. I. R. for production of Ceramic Articles . . .	3,50	. .
	National Research Development Corporation . . .	10,00	5,00
	Industrial Housing Scheme .	70,00	5,00
	Plantation Housing Scheme .	50	. .
	Village Housing Scheme .	11,50	6,00
	Low Income Group Housing Schemes in Union Territories and other Centrally administered Areas . . .	55,00	56,50
	Middle Income Group Housing Scheme	45,00	26,00
	Slum clearance in Union Territories	23	23
	Development of Handloom Industry	40	3
	Conversion of Handlooms into Powerlooms . . .	1,00	1,00

(In thousands of Rupees)

Demands	Particulars	Budget, 1960-61	Revised, 1960-61
120.—Loans and Advances by the Central Government—*contd.*			
	Development of Handicrafts .	..	13,89
	Development of Village Industries	1,70,00	1,70,00
	Development of Traditional Khadi Industries . .	2,25,00	4,95,50
	Development of Ambar Charkha	2,72,00	2,72,00
	Development of Small Scale Industries	9,20	8,20
	National Small Industries Corporation	94,00	90,00
	National Industrial Development Corporation . .	3,00,00	2,15,00
	Fertilizers Corporation of India	..	1,25,00
	Rehabilitation Industries Corporation	2,00,00	25,00
	Development of Small Scale Industries in Himachal Pradesh	3,00	3,00
	Rehabilitation Schemes .	8,00	4,26
	Central Social Welfare Board	..	19
	National Coal Development Corporation	5,87,00	4,31,00
	Tata Iron and Steel Company and Indian Iron and Steel Company	..	4,00,00
	Singareni Collieries . .	1,85,00	1,85,00
	Hindustan Steel Ltd. . .	90,00,00	88,00,00
	Oil India Ltd. . . .	..	4,00,00
	Displaced Persons . . .	11,00	..
	Displaced Persons in Union Territories	24,50	17,16
	Displaced Persons in Dandakaranya	40,00	40,00
	Cultivators for Rehabilitation Purposes	79,04	57,66
	Agriculturists in N.H.T.A. .	1,00	1,00
	Development of cashewnut in Tripura . . .	..	30
	Development of Small Scale Industries in Manipur and Tripura	2,80	2,80

(in thousands of Rupees)

Demands	Particulars	Budget, 1960-61	Revised, 1960-61
120.—Loans and Advances by the Central Government—*concld.*	Development of Handloom Industries in Manipur and Tripura	1,00	1,00
	Development of Handicrafts in Tripura	10	10
	C. D. Schemes in Tripura	2,63	4,83
	Improvements of Markets in Tripura	46	46
	Industrial loans in N.H.T.A.	1,56	90
	Cooperative loans in N.H.T.A.	1,00	70
	Private Shipping Companies for purchase of ships for Coastal Trade	..	28,50
	Joint Steamer Companies, Calcutta	67,00	..
	Construction of Sailing Vessels of Modern Design	5,00	..
	Private Shipping Companies for purchase of ships for overseas Trade	24,00	1,60,61
	Sailing Vessel Industry	10,00	1,00
	Shipping Development Fund	8,70,00	5,94,15
	Hindustan Machine Tools Ltd.	..	8,12
	Indian Telephone Industries	5,00	5,00
	Islanders in Laccadive, Minicoy and Amindivi Islands for fitting engines to odams	50	..
	Railway Development Fund	7,63,60	3,57,66
	TOTAL	4,05,53,22	3,99,57,04
121.—Capital Outlay on Forest.	Communications and buildings	2,17	2,17
	Soil Conservation Research Demonstration and training Centre	6	5
	TOTAL	2,23	2,22
123.—Other Capital Outlay of the Ministry of Food and Agriculture.	Expansion of the Indian Agricultural Research Institute	21	11
	Development of Marine Fisheries	9,85	14,25
	Grow More Food Schemes	25,00	22,34

(In thousands of Rupees)

Demands	Particulars	Budget, 1960-61	Revised, 1960-61
123.—Other Capital Outlay of the Ministry of Food and Agriculture —*Concld.*	Construction of Central Control Laboratory . . .	8,72	2,00
	Delhi Milk Supply Scheme	22,75	22,75
	Construction of Food Storage Godowns	2,09,10	2,27,13
	Training Scheme for Tractor Operators	5,14	3,20
	Central Potato Research Institute	4,00	7,16
	Central Rice Research Institute	16,40	8,71
	Development of National Dairy Research Institute . .	2,00	1,60
	Fisheries Development . .	27	27
	Central Mechanised Farm .	26,00	13,00
	Sugar and Sugarcane Institutes	1,50	1,50
	Sugarcane Breeding Institute, Coimbatore . . .	50	36
	National Sugar Institute, Kanpur	13,00	13,00
	TOTAL . .	3,44,44	3,37,38
124.—Capital Outlay of the Ministry of Health.	National Water Supply and Sanitation Programmes . .	2,34,00	2,01,00
125.—Capital Outlay of the Ministry of Home Affairs.	Shipping Tankers . . .	44,99	..
126.—Capital Outlay of the Ministry of Information and Broadcasting.	Development of Broadcasting .	1,00,25	1,77,42
127.—Capital Outlay on Multi-purpose River Schemes.	Land and Buildings for the Central Water and Power Research Station, Poona . . .	20,00	7,56
	Power Research Institute, Bangalore	..	2,50
	Damodar Valley Corporation	2,50,21	99,32
	TOTAL .	2,70,21	1,09,38
128.—Other Capital Outlay of the Ministry of Irrigation and Power.	Construction of Irrigation, Navigation, Embankment and Drainage Works . . .	25,80	30,61
	Flood control Projects . .	..	3,10
	Rural Electrification . .	..	2,00
	Electricity Schemes in Union Territories etc.	1,96,93	2,39,95
	TOTAL .	2,22,73	2,75,66

(In thousands of Rupees)

Demands	Particulars	Budget Estimate, 1960-61	Revised Estimate, 1960-61
130.—Capital Outlay of the Ministry of Rehabilitation.	Rehabilitation Industries Corporation	30,00	10,00
	Dandakaranya Development Scheme	7,12,25	6,74,00
	TOTAL	7,42,25	6,84,00
131.—Capital Outlay of the Ministry of Scientific Research and Cultural Affairs.	Grants-in-aid to the Council of Scientific and Industrial Research	2,80,00	2,31,00
	Indian School of Mines	6,86	3,50
	Equipment for Geophysical Research Wing	4,00	1,75
	TOTAL	2,90,86	2,36,25
132.—Capital Outlay of the Ministry of Steel, Mines and Fuel.	Establishment of an Alloy and Steel Plant	25,72	1,80
	Acquisition of land for Hindustan Steel Ltd.	34,92	7,12
	Investment in Share Capital of Oil India Ltd.	4,33,00	2,00,00
	Purchase of Shares of National Coal Development Corporation Ltd.	13,17,00	11,73,00
	Purchase of Shares of Bolani Ores Ltd.	5,05	..
	Purchase of Shares of Indian Oil Company	10,00	55,00
	Purchase of Shares of Mysore Iron and Steel Corporation	1,00	1,00
	Purchase of Shares of Indian Refineries Ltd.	6,00,00	6,00,00
	Purchase of Shares of Neyveli Lignite Corporation, Ltd.	19,80,00	20,80,00
	Purchase of Shares of National Mineral Development Corporation	90,00	1,50,00
	Oil Exploration Scheme	28,79	8,97
	Expenditure on Coal Production Programme	65,64	66,22
	Acquisition of Coal Bearing Areas	14,30	21,80
	Oil and Natural gas Commission	8,50,00	16,44,00
	Equipment for proving Minerals for Bhilai Project	10	10
	TOTAL	54,55,52	60,09,01

(In thousands of Rupees)

Demands	Particulars	Budget Estimate, 1960-61	Revised Estimate, 1960-61
133.—Capital Outlay on Posts and Telegraphs (not met from Revenue).	Posts and Telegraphs Development Schemes . . .	17,70,00	12,20,00
134.—Capital Outlay on Civil Aviation	Aviation Works and Equipment	4,51,59	4,49,87
	Meteorological Equipment .	9,01	9,01
	TOTAL .	4,60,60	4,58,88
135.—Capital Outlay on Ports.	Development of Kandla Port .	1,82,84	1,36,00
	Development of Vizagapatnam Port	77,00	77,00
	Development of Township of Gandhidham . . .	25,00	24,81
	Development of Minor Ports in Andaman and Nicobar Islands	5,38	4,80
	TOTAL .	2,90,22	2,42,61
136.—Capital Outlay on Roads.	National Highways and other Roads	15,25,00	13,25,00
	Grants to State Govts. for Construction of State Roads of Economic or Inter State Importance . . .	4,75,00	4,75,00
	TOTAL .	20,00,00	18,00,00
137.—Other Capital Outlay of the Ministry of Transport and Communications.	Capital expenditure on Bus Services	24,50	24,50
	Dredger-*cum*-survey launch pool for Minor Ports in India	85,00	30,00
	Investment in Eastern Shipping Corporation . . .	1,80,00	1,80,00
	Investment in Western Shipping Corporation Ltd. . .	2,75,00	5,65,00
	Purchase of aircraft etc. by Air-Corporations . . .	3,68,71	3,46,71
	Purchase of Shares of Hindustan Teleprinters Ltd. . .	..	8,80
	Expansion of the Overseas Communication Service Stations .	48,91	23,48
	Purchase of Shares of Hindustan Shipyard Ltd. . . .	38,00	28,00
	Establishment of Second Shipyard	11,00	20,00
	TOTAL .	10,31,12	12,26,49

(In thousands of Rupees)

Demands	Particulars	Budget Estimate, 1960-61	Revised Estimate, 1960-61
138.—Delhi Capital Outlay	Civil works—Buildings .	5,10,88	5,10,88
139.—Capital Outlay on Buildings.	Capital Outlay on Buildings—Original Works—Buildings .	5,34,00	5,32,74
140.—Other Capital Outlay of the Ministry of Works, Housing and Supply.	Grants to States for Subsidised Industrial Housing Scheme .	3,50,00	4,24,25
	Grants to States for slum clearance	2,56,38	1,62,14
	Grants to States for Rural Housing Cells	..	94,24
	Grants to others for Subsidised Industrial Housing Schemes	65,00	5,00
	TOTAL	6,71,38	6,85,63
141.—Capital Outlay of the Department of Atomic Energy.	Capital Expenditure on Atomic Energy Research . .	5,00,38	3,89,29
	TOTAL—CAPITAL Budget	5,93,73,88	5,82,32,07
	GRAND TOTAL .	7,66,70,09	7,56,46,72

Part B—Schemes included in the Third Plan.

	(A) REVENUE BUDGET	Budget, 1961-62
2.—Industries . .	Development of Handicrafts .	33,67
	Small Industries Service Institute	1,22,76
	Development Commissioner, Small Scale Institute .	19,55
	Central Sericultural Research Station	2,47
	Prototype Production-*cum*-Training Centre . . .	4,29
	Development of Handloom Industries	31,93
	Central Industrial Extension Training Institute . .	2,85
	Grants to others—	
	Indian Standards Institute .	20,50
	Development of Handloom Industry	14,70

(In thousands of Rupees)

Demand	Particulars	Budget, 1961-62
	Development of Khadi Industry (Traditional) . . .	3,56,00
	Ambar Charkha . . .	3,95,00
	Silk Industries . . .	12,17
	Central Silk Board . .	5,55
	National Small Industries Corporation	48,80
	National Productivity Council .	22,98
	Indian Handicrafts Development Corporation .	10,00
	Village Industries . . .	2,50,00
	Payment of subsidy to Khadi and Village Industries Commission in lieu of concessional rate of interest . . .	1,52,00
	National Industrial Development Corporation . .	10,00
	Development of Handicrafts .	6,50
	Development of Small Scale Institute	10,86
	Subsidy on Tin Plates, etc. Industries . . .	3,00
	Industrial Co-operatives .	2,00
	TOTAL .	15,37,58
3.—Salt . . .	Salt works	6,00
7.—Community Development Projects, National Extension Service and Co-operation.	Orientation and Study Scheme	2,72
	Officials and Non-officials and Part-time Workers . .	1,00
	Prize Competition . . .	2,58
	Grant of Scholarships, etc., to Gram Sevaks for higher studies	1,02
	Grants for Co-operation Schemes	25,50
	Grant to National Co-operative Training and Ware-Housing Board . .	2,14,00
	Training of Non-Official members of Block Development Committees . . .	22
	Photographic Scheme .	5
	Production of literature .	9,90
	TOTAL .	2,56,99

(In thousands of Rupees)

Demands	Particulars	Budget 1961-62
14—Education.	Grants to University Grant Commission . .	9,84,00
	Instituting Evening Colleges and Correspondence Courses	2,00
	Grants to Non-Government Art Colleges . . .	30
	Directorate of Extension Programme for Secondary Education	15,50
	Grants to Local Bodies and Voluntary organisations for Secondary Education .	3,50
	Grants to Local Bodies and Voluntary organisations for Primary Education . .	3,50
	National Institute of Training and Research . . .	5
	National Council of Educational Research . . .	5
	Scholarships to Foreigners for studies in India . . .	3,15
	Students from Non-Hindi speaking areas for studies in India	32
	Scholarships to the Handicapped	3,80
	National Discipline Scheme .	8,88
	Grants, Contributions . .	1,06,35
	Other Expenditure . .	5,63
	National Fundamental Education Centre . . .	2,42
	Administration of the Central Braille Press, Dehra Dun .	65
	Model School for Blind children	1,09
	Sheltered Workshop for the Blind	54
	Administration of the Workshop for the Manufacture of Braille Appliances . .	28
	Women Setion of the Training Centre for the Adult Blind .	55

(In thousands of Rupees)

Demand	Particulars	Budget, 1961-62
14.—Education—*concld.*	National Institute of Audio-visual Education	5,25
	Expenditure on development of Hindi and other State Languages	17,00
	Grants, Contributions, etc. for development of Hindi and other State Languages	8,50
	Standing Commission for Scientific and Tech. Terminology	8,62
	Other Grants	48,74
	Material and Equipments under T.C.A. Programme	17,80
	Ford Foundation Projects	13,84
	Local cost of Foreign Experts and Technicians	1,03
	Subsidy towards the interest charged on loans to Educational Institutions	1,25
	TOTAL	12,64,59
15.—Miscellaneous Departments and other Expenditure under the Ministry of Education.	Director of Archives	80
	Social Welfare Board	2,60,00
	Grants to U.N.E.S.C.O.	1,66
	TOTAL	2,62,46
16.—Tribal Areas	Political and Administrative Charges	44
	Works	5,57
	Forest	6,52
	Education	4,16
	Medical	8,72
	Public Health	3,25
	Agriculture	6,28
	Industries	14
	Community Development Projects	12,72
	Miscellaneous	7,66
	Co-operation Schemes	97
	TOTAL	56,43

(In thousands of Rupees)

Demand	Particulars	Budget, 1961-62
17.—Naga-Hills—Tuensang Area.	Forest	4,33
	Education	13,94
	Medical	12,05
	Public Health	6,24
	Agriculture	11,85
	Animal Husbandry	2,75
	Co-operation	56
	Miscellaneous Expenditure	1,35
	Community Development Projects	17,20
	TOTAL	70,27
19.—State of Pondicherry	Establishment of Medical College	73,39
	Powerloom Schemes	39
	Industrial Estate	1,57
	Social Welfare Schemes	1,30
	Welfare of Backward Classes	1,50
	Controller of Weights and Measures	50
	Community Development Projects	5,10
	Development Schemes	1,04,48
	Construction of a new pier	10,52
	Co-operation Schemes	75
	TOTAL	1,99,50
28.—Currency	Security Paper Mill	1,18
32.—Miscellaneous Departments and other Expenditure under the Ministry of Finance.	Lump provisions for Schemes of Public Co-operation	18,00
33.—Planning Commission	Research Programme Committees' Schemes	9,48

(In thousands of Rupes)

Demand	Particulars	Budget, 1961-62
34.—Grants-in-aid to States	Grants for :—	
	Schemes of development under the provisions to Art. 275(1) of the Constitution.	4,90,00
	Forestry and Soil Conservation Schemes	2,90,00
	Scientific and Technical Education	5,00,00
	Reorganisation and development of muslims	10,00
	Subsidy towards interest on loans for construction of students' hostels	13,43
	Other Scientific and Technical Education Schemes	9,33
	Primary and Basic Education	14,00,00
	Secondary Education	5,10,72
	Other Educational Schemes	1,37,50
	Medical Education	1,50,00
	Medical Schemes for control of diseases	16,50
	Public Health education and Training Schemes	45,40
	Public Health Schemes for control of diseases	6,07,44
	Health Centres in N.E.S. Blocks	2,50,00
	Family Planning	1,25,00
	National Malaria Eradication Programme	7,04,58
	Agricultural Production	9,77,90
	Development of Fisheries	62,10

(In thosands of Rupees)

Demand	Particulars	Budget, 1961-62
34.—Grants-in-aid to States —*Contd.*		
	Animal Husbandry Schemes	1,79,00
	Co-operation Schemes	70,00
	Development of Handloom Industry	2,90,00
	Development of Handicrafts	48,00
	Development of Sericulture	52,00
	Development of S.S. Industry	1,50,00
	Development of Coir Industry	5,00
	Industrial Co-operatives	8,00
	Industrial schemes for displaced persons	1,00
	Assistance to sailing vessels industry	6
	Community Listening and Other Publicity Schemes	11,47
	Labour & Employment Schemes	3,67,63
	Dairy Development Schemes	1,15,00
	Improvement of Statistics	6,00
	Development of tourist Centre	13,00
	Community Development Projects	16,40,00
	National Extension Services Training Schemes	45,55
	Introduction of Metric System	25,00
	Welfare of Backward classes	4,10,00
	Relief and Rehabilitation of Displaced Persons	75,71

(In thousands of Rupees)

Demand	Particulars	Budget, 1961-62
34.—Grant-in aid to States —*concld.*		
	Development of border areas .	3,63,00
	Subsidy in lieu of concession in the rate of interest on loans .	5
	Rural Housing cells for village Housing Project Schemes .	5,90
	Setting up of protective homes under Suppression of Immoral Traffic Act . . .	26,50
	Construction of Dredger .	1,70
	Fundamental and Basic Research	17,45
	Housing Schemes .	1,01,74
	Slum clearance .	22,63
	TOTAL .	1,03,51,29
38.—Forest . . .	Forest Research Institute .	16,08
	Southern Forest Research Centre, Bangalore . . .	2,65
	Survey of Forest Resources and Improvement of logging technique	5,00
	Southern Forest Research Centre, Coimbatore . . .	1,06
	Forest Research . . .	8
	Central Arid Zone Research Institute	1,30
	Soil Conservation Research and Demonstration Centres .	4,10
	Extension Centre in Rajasthan	[illegible]
	Ravine Reclamation Scheme.	1,00
	TOTAL .	31,77

(In thousands of Rupees)

Demand	Particulars	Budget, 1961-62
39.—Agriculture	Strengthening of Plant Protection Stations	2,00
	Plant Protection Aerial Units	1,35
	Improvement of market Intelligence	2,83
	Central Mechanised Farm, Suratgarh	77
	Central Mechanised Farm in Rajasthan	2,00
	Ground water Exploration under T.C.A. Programme	98,82
	Training in Agricultural Marketing	84
	Market Extension Wing	38
	Intensification of Research and Investigation in Agricultural Marketing	50
	Expansion of grading quality Control	1,47
	Fruit Products	8,70
	Assistance to private colleges and Institutions for improvement expansion of training facilities	7,70
	Material and equipment under T.C.A. Programme	2,00
	Construction of airconditioned Godown and Lac research Schemes	10,00
	Nilokheri Training Centre	2
	Training Scheme for Tractor Operators	75
	Fertiliser Demonstration Scheme	16,20
	Production and distribution of slides, charts, etc.	2,00
	Award of fellowships for post Graduate Training in Agriculture	1,00
	Supply of books, etc. to State Agricultural Information Units	50
	Training of officials in Village Youth activities	50
	Training of States Information Personnel	20
	Establishment of extension Wings in Home Science Centres	1,00
	Organising Refresher Training Courses for subject specialists	1,00
	Local cost of TCM equipment	5
	Intensive Agrl. Distt. Programme	25,00
	TOTAL	1,87,58

(In thousands of Rupees)

Demand	Particulars	Budget, 1961-62
40.—Agricultural Research	Indian Agricultural Research Institute	1,43
	Agricultural Research Schemes at I.A.R.I.	6,36
	Setting up of an All India Institute of Fertiliser Technology Sindri	50
	Central Weed Control Laboratory	91
	Establishment of Institute of Forage and Grassland Research	50
	Establishment of Plant virus Research Institute, Poona	3,00
	Rice Research Schemes	3,15
	C.P.R.I. Improvement of library facilities	44
	Establishment of Regional Station at Kashmir	36
	New Lines of Research	58
	Certification of Seed Potatoes	48
	Intensification of Research at the existing research centres, at C.P.R.I.	83
	Indian Council of Agricultural Research	1,78
	Fellowships to trainees in Agriculture and Animal Husbandry Statistics	50
	Grants to the Indian Council of Agricultural Research—	
	Weed Control	8
	Manurial and Agronomic Training	2,00
	Cost of production of Milk in Calcutta and Suburbs	1,40
	Production of Agricultural Films	3,00
	Pilot Investigation for collection of statistical data on yield and extent of cashew nut cultivation and on the practices adopted in its cultivation	55

(In thousands of Rupees)

Demand	Particulars	Budget, 1961-62
40—Agricultural Research —*contd.*	Pilot Investigation for collection of statistical data on yield and extent of cardamom cultivation and on the practices adopted in its cultivation .	1,00
	Regional Research on cotton oilseeds	38,13
	Research on important fruits .	10,00
	Establishment of National Hortorium	2,22
	Financial assistance to Horticulture Societies .	50
	National Index of field experiments	1,47
	Study of incidence of pests and diseases on rice . . .	1,00
	Survey of fertiliser and manuring practices	85
	Co-ordinated maize Breeding Scheme	13,54
	Hybrid Maize seed corporation	20,00
	Schemes for intensification of Research on Tuber crops .	2,00
	Grants to Others —	
	Indian Central Sugarcane Committee	12,00
	Central Tobacco Research Scheme	9,44
	Arecanut Research Schemes .	1,90
	Coconut Research Schemes .	4,93
	Indian Central Cotton Committee, Bombay and Regional Research	14,00
	Indian Oilseeds Committee .	11,00
	Grants for organising studies of the Economics of Farm Managements	1,86
	Manurial and Agronomic Trials, B.R. College, Agra . .	16
	Scheme for Research on minor irrigation and water use .	2,34

(In thousands of Rupees)

Demand	Particulars	Budget, 1961-62
40—Agricultural Research *concld*	Scheme for Training of irrigatin water use	1,64
	Fisheries—	
	Off-shore fishing stations	35
	Central M.F.R.S.. Mandapam	3,22
	Central I.F.R S., Barrackpore	1,91
	Fisheries Technological Research Station	2,50
	Scheme of Transport of Fish by rail	1,80
	Fisheries Training College	2,95
	TOTAL	1,90,56
41.—Animal Husbandry	Indian Veterinary Research Institute	5,40
	Vaccination of Animals against Rinderpest	5,90
	Grants to I.C.A.R.—	
	Rinderpest Publicity and Propaganda	50
	Co-ordinated Cattle Sterility	12
	Scheme for study of Milk yield breeds and management practice of Bovines	1,10
	Poultry Practices and Production	1,42
	Pilot schemes for study of feeding and rearing practices of Sheep and Wool	2,00
	Cattle Insurance	10
	Establishment of Regional Animal Nutrition Centres	5,00
	Co-ordinated schemes to study the economics of specialised dairy farming under various conditions	10
	Cross Breeding of cattle	1,66
	Sheep and wool improvement on the regional basis	2,53

(In thousands of Rupees)

Demand	Particulars	Budget 1961-62
41—Animal Husbandry Concld.	Central Artificial Inseminations Centre, Bangalore	1,37
	Camel Breeding in Rajasthan	52
	Co-operative value of grading up of with Singhi and cross breeding with Gersey for increased milk production	52
	Selective breeding and grading up of cattle	1,30
	Grants to Central Council of Gosamvardhan—	
	Wild and Stray cattle catching Scheme	50
	All India Milk yield competition	30
	Calf Rearing Scheme	2,00
	Directorate of Animal Qurantine and Inspection	51
	Award of fellowship for fresh graduate training Institute	1,00
	Establishment of Gersey Farm	3,80
	Extension of Registration of Important Breeding Tracts & formation of Breeders Societies	1,89
	Establishment of Central Sheep Breeding Research Institute	2,00
	Establishment of Sheep Breeding Research Station	1,25
	TOTAL	42,79
42.—Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture	Zoological Park	70
	Development of the National Institute of Sugar Technology, Kanpur	95
	Research Schemes in Sugar	97
	Provision to cover the deficit in the working of C. W. Corporation	2,65
	Other Grants—	
	Regional Centres for Agro-Economic Research	40
	All India Cattle Show Committee	4,00
	Animal Welfare Board	50
	Delhi Milk Supply Scheme	4,60
	National Dairy Research Institute	13,99
	TOTAL	28,76

(In thousands of Rupees)

Demand	Particulars	Budget 1961-62
44.—Medical and Public Health.	Central Drugs Laboratory, Calcutta	67
	Research in Medical Statistics	25
	Drugs Technical Advisory Board	61
	Upgrading of certain Departments in Medical Institutions in India	4,00
	Grants to Private Institutions for establishment of Cancer Research Institutes	2,00
	Establishment of Central Institute of Pharmacy	10
	Grant for the maintenance of the Kalavati Saran Children's Hospital, New Delhi	1,00
	Lady Hardinge Medical College and Hospital, New Delhi	3,00
	Development of Ayurvedic, Unani, Homeopathic and Nature cure systems	20,00
	All India Institute of Medical Sciences	1,79,52
	Central Institute of Research in Indigenous Systems of Medicine, Jamnagar	4,00
	Post-graduate Training Centre, Jamnagar	3,47
	Grant to the Delhi University for Vallabh Bhai Patel Chest Institute	10
	Indian Cancer Research Institute, Bombay	3,00
	All India Institute of Physical Medicine and Rehabilitation, Bombay	5,00
	Expansion of the All India Institute of Mental Health, Bangalore	8,00
	Tata Memorial Hospital, Bombay	9,40

(In thousands of Rupees)

Demand	Particulars	Budget 1961-62
44.—Medical and Public Health.—*contd.*	Grant-in-aid to the Governing Body of the Chittaranjan National Cancer Research Centre, Calcutta . . .	4,00
	Vallabhbhai Patel Chest Institute, Delhi—Stipends to candidates	2
	Grants to the Delhi University for construction of hostels for students in the Vallabhbhai Patel Chest Institute, Delhi	1,50
	Training of General Practitioners	50
	Supply of equipment to Medical Colleges and Research Institutions under the T. C. A. Programme . . .	2,51
	Training and Research in Medical Statistics . .	18
	Extension of C. H. S. Scheme to Calcutta, Bombay and Madras	5,00
	Control of V. D. Organisation	42
	Goitre Pilot Project . .	75
	Central Health Education Bureau	5,14
	Pilot Project for eradication of small pox . . .	86
	Contributions towards the Scheme regarding training of Public Health personnel of Community Project Orientation Training Centre. .	75
	Grants to I.C.M.R. for Medical Research	50,00
	T. B., Leprosy and other voluntary institutions .	50,00

(In thousands of rupees)

Demand	Particulars	Budget 1961-62
44.—Medical and Public Health.—*contd.*	Central Leprosy Teaching and Research Institute, Tirumani	3,00
	Family Planning . . .	2,30,00
	Training of Health Personnel for Community Projects .	12,74
	Pilot Projects for eradication of Small pox—Grants to Delhi Municipal Corporation .	2,52
	Training of Dais . . .	3
	Training in Public Health Engineering	49
	National T. B. Training Institute, Bangalore . . .	7,22
	Central Research Institute, Kasauli	51
	National Malaria Eradication Programme . . .	18,38
	National Filaria Control Programme	4,28
	Material and equipment for Public Health Engineering Organisation . . .	10
	Training in Public Health Engineering	1,50
	Central Food Laboratory, Calcutta	1,14
	Expenditure on Leprosy Control	10
	Training Programme at the Model Vital and Health Statistical Unit, Nagpur .	23
	Reorganisation of the Malaria Institute of India into a Public Health Institute . .	2,50
	TOTAL .	6,50,39

Demand	Particulars	Budget, 1961-62
45.—Miscellaneous Departments and Expenditure under the Ministry of Health.	Contribution to world Health organisation for Malaria Eradication Special Accounnt Fund.	1,00
54.—Delhi . . .	Land Revenue . . .	1,00
	Forest	1,88
	Irrigation Works . . .	26
	General Administration .	41
	Education	50,00
	Medical	3,09
	Public Health . . .	5,03
	Agriculture	3,89
	Animal Husbandry . .	2,73
	Co-operation	1,19
	Industry and Supply . .	6,63
	Labour and Employment .	17,24
	Miscellaneous Departments .	5,03
	Miscellaneous . . .	84,62
	Community Development Projects and National Extension Service	3,16
	TOTAL .	1,86,16
55.—Himachal Pradesh .	Land Revenue . . .	6,00
	Forest	28,00
	Irrigation Works . . .	5,75
	Education	12,51
	Medical	2,48
	Public Health . . .	17,79
	Agriculture	25,01
	Animal Husbandry . .	12,53
	Co-operation	4,09
	Development of Cottage and Small Scale Industries .	9,00
	Miscellaneous Departments .	5,84
	Electricity Schemes . .	9,51
	Road Transport Schemes .	3,88

(In thousands of Rupees)

Demand	Particulars	Budget, 1961-62
55.—Himachal Pradesh—*concld.*	Miscellaneous	62,94
	Community Development Projects	48,96
	TOTAL	2,54,29
56.—Andaman and Nicobar Islands.	Forest Development Schemes	10,00
	Educational Development Schemes	4,41
	Scheme for strengthening of Statistical Bureau	5
	Medical Schemes	1,58
	Development Schemes under Agriculture	8,33
	Animal Husbandry	48
	Public Health Schemes	16
	Fire Services	96
	Extension and Development of Co-operation	34
	Industry and Supply	2,19
	Expenditure on Bus Services	1,24
	Stationery and Printing	1,02
	Community Development Project	4,71
	Miscellaneous Plan Schemes	4,69
	TOTAL	40,16
57.—Manipur	Forest Development Schemes	4,98
	Plan Publicity	1,06
	Educational Development Schemes	5,04
	Public Health Schemes	11,29
	Agricultural Development Schemes	5,02
	Co-operative Development Schemes	1,79
	Industrial Development Schemes	3,99
	Labour and Employment	1,06
	Fisheries Development Schemes	1,18
	Social Welfare	70
	Welfare of Scheduled Castes and Scheduled Tribes	25,70
	Grants to Manipur Territorial Council	48,38
	Grants to Imphal Municipality	1,00

(In thousands of Rupees)

Demand	Particulars	Budgget 1961-62
57.—Manipur—*concld.*		
	Provision for Statistical Organisation.	23
	Provision for Development Projects, Local Development Works and National Extension Service	21,00
	Road Transport Scheme	11,41
	TOTAL	1,43,83
58.—Tripura	Forest	10,98
	Education	13,62
	Medical	2,60
	Public Health	2,51
	Agriculture	14,57
	Co-operation	2,50
	Development of Industries	7,73
	Statistical Department	1,10
	Electricity Schemes	1,36
	Grant to Agartala Municipality	1,00
	Grant to Tripura Territorial Council	89.74
	Publicity	1,53
	Welfare of Scheduled Castes and Scheduled Tribes	22,44
	Employment Exchange and Market Information	10
	Training of Craftsmen	1,10
	Labour Welfare Centres	21
	Stationery and Printing	28
	Community Development Projects and National Extension Service	19,39
	Schemes under the Village Panchayat Act	3,51
	TOTAL	1,96,27
59.—LaccadiveMinicoy & Aminidivi Islands.	Development Schemes for Education	2,43
	Medical	17
	Public Health	72
	Agriculture	2,22
	Animal Husbandry	22
	Co-operation	29
	Cottage Industries	1,10
	Publicity Schemes	21
	Schemes for the Welfare of Backward Classes	1,00
	Construction of Village Foot paths	1
	TOTAL	8,37

(In thousands of Rupees)

Demand	Particulars	Budget, 1961-62
60.—Miscellaneous Departments and Expenditure under the Ministry of Home Affairs.	Central Bureau of Correctional Services	1,54
	Welfare of Backward Classes	10,00
	TOTAL	11,54
61.—Ministry of Information and Broadcasting.	General Administration	82
62.—Broadcasting	Planning and Development unit	14,55
63.—Miscellaneous Departments and other expenditure under the Ministry of Information and Broadcasting.	Press Publicity	42
	Photographs Publicity	59
	Publications Division	49
	Plan Publicity	2,13
	Directorate of Advertising and Visual Publicity	7,20
	Grants to Children Film Society and Social Welfare Agencies	2,45
	Film Division	15,64
	Song and Drama Division	1,78
	Film Institute	3,80
	TOTAL	34,50
—Multipurpose River chemes.	Research Work connected with Fundamental and Basic Research relating to river valley projects and flood control scheme	9,35
	Preliminary expenses on—	
	Teesta Dam	3,91
	Idiki Project	55
	Karnafully Project	3
	Teesta Irrigation-*cum*-Navigation Canal	10,40
	Ganga Barrage Project	[7,39
	Ganga Basin Water Studies	[15,64

(In thousands of Rupees)

Demand	Particulars	Budget, 1961-62
	Installation of rain and river Ganges in Himalayan Catchment	2,45
	Research on Storm Studies	46
	Maintenance of mobile Transmitters	94
	Collection of Hydrological Data in Bhutan	2,40
	Technical Training Centres	6,29
	TOTAL	59,81
66.—Miscellaneous Departments and other expenditure under the Ministry of Irrigation and Power.	Setting up of an Engineering Organisation to provide specialised services	5,44
	Designs, Preparation of specifications and Installation of Large Thermal and Hydro-Power Stations	4,26
	All India Load Survey Scheme	3,32
	Hot Lines Crew Training Scheme	2,78
	Grante for Fundamental and Basic Reseach	5
	Research work for flood Control Work	5,30
	Trisuli Hydro-Electric Project	83,00
	Prelin inary expenses on the preparation of schemes for Town and Country Planning in D.V.C. Region	1,70
	TOTAL	1,11,35
67.—Ministry of Labour and Employment.	Evaluation Studies and Study of Defunct Works Committees	1,66
68.—Chief Inspector of Mines.	Barrier Survey in Coal Mines	1,24
69.—Labour and Employment.	Cen ral Training Institute for Instructors	14,20
	Scheme for the training of Craftsmen	4,26
	TOTAL	18,46

(In thousands of Rupees)

Demand	Particulars	Budget, 1961-62
75.—Expenditure on displaced persons and Minorities.	Expenditure on Miscellaneous Schemes	32,04
76.—Ministry of Scientific Research and Cultural Affairs.	Gazetteer unit . . .	2,09
	History of freedom movement	74
	TOTAL .	2,83
77.—Archaeology . .	Development of Archaeology .	5,00
78.—Survey of India .	Expansion and Mechanisation of the Survey of India .	3,37
79.—Botanical Survey .	Botanical Survey	4,00
80.—Zoological Survey .	Zoological Survey	1,00
81.—Scientific Research and Cultural Affairs.	Vigyan Mandirs . . .	7,86
	Council of Scientific and Industrial Research. . .	40,73
	Grants to Scientific Societies and Institutes . . .	49,02
	Grants for Technical Education	6,39,60
	Geophysics Research Wing .	65
	Oceanographic Research Wing	35
	Scholarships for Studies and Training abroad . . .	35
	Scholarships for Studies in Technical and other Institutes in India	2,02
	Other Grants . . .	51
	Assistance to Regional Languages	10,50
	Indian School of Mines .	1,50
	Indian Institute of Technology	4,13,87
	Compilation of National Atlas of India	2,00
	Cultural Organisations .	4,35
	Publication of rare manuscripts	2,00
	Institute of Indology . .	2,52
	Delhi Polytechnic . . .	4,77
	TOTAL .	11,82,60

(In thousands of Rupees)

Demand	Particulars	Budget, 1961-62
82.—Miscellaneous Departments and Expenditure under the Ministry of Scientific Research and Cultural Affairs.	Central Reference Library .	2,58
	Expenditure on Buildings of Indian Council for Cultural Relations	1,00
	Construction of International Students Hostels and grants in aid to organisations for such Hostels . . .	9,00
	TOTAL .	12,58
84.—Geological Survey .	Geological Survey . . .	2,36,22
85.—Miscellaneous Deptts. and other expenditure under the Ministry of Steel, Mines and Fuel.	Expansion Scheme of the Indian Bureau of Mines. . .	55,95
89.—Mercantile Marine .	Administrative Expenses for Shipping Development Fund Committee . . .	50
	Subsidies to shipowners .	5,00
	Subsidy to Shipping Development Fund. . . .	6,00
	TOTAL .	11,50
90.—Light houses and Light ships.	Improvement of aids to navigation along the coast of India	69,00
93.—Aviation . . .	Indian Meteorological Department	10
95.—Communications (including National Highways.)	Roads other than Nationl Highways	8,00
	Grants-in-aid . . .	10,00
	Tools and Plants . . .	15,00
	TOTAL .	33,00

(In thousands of Rupees)

Demands	Particulars	Budget, 1961-62
96.—Miscellaneous Departments and Expenditure under the Ministry of Transport and Communications.	Development of Tourist Centres	6,23
	Monitoring Organisation .	3,14
	Development of Pandu and other Inland Ports . . .	29,50
	Subsidy to Ship Building Industry	1,35,00
	Hydrographic Surveys .	2,00
	Preliminary investigations relating to Sethusundram Project	14,00
	TOTAL .	1,89,87
98.—Supplies . . .	Government Test House .	6,66
	TOTAL—REVENUE BUDGET	1,80,95,35
	(B)—CAPITAL BUDGET	
109.—Capital Outlay of the Ministry of Commerce and Industry.	Purchase of shares of Drugs Corporation . . .	60,00
	Heavy Structural Project .	10,00
	Heavy Plates and Vessels Project	10,00
	Purchase of shares of Indian Handicrafts Development Corporation	2,00
	Purchase of shares of Heavy Electricals Ltd. . . .	1,00,00
	Purchase of shares of Hindustan Machine Tools, Ltd. .	70,00
	Purchase of shares of Heavy Engineering Corporation .	20,00,00
	Hindustan Photo Film Manufacturing Corporation .	65,00
	Purchase of shares of National Industrial Development Corporation . . .	45,00
	Hindustan Organic Chemicals, Ltd.	65,00
	Capital Outlay on Salt Works .	8,50
	Institute for Small Scale Industries	23,92
	Precision Instruments . .	1,00
	TOTAL .	24,60,42

(In thousands of Rupees)

Demands	Particulars	Budget, 1961-62
110.—Capital Outlay of the Ministry of Community Development and Co-operation.	Contribution to the share capital of co-operative societies in the Union territories .	7,20
	Contribution to National Co-operative Development and Warehousing Board . .	4,50,00
	TOTAL .	4,57,20
115.—Capital Outlay on Currency and Coinage.	Security Paper Mill . .	1,56,66
116.—Capital Outlay on Mints.	Buildings .	3,09
	Health	
119.—Capital Outlay on Grants for Development to States.	Grants to States for—	
	National Water Supply and Sanitation Scheme . .	60,00
	Plainnng Commissoion Grants to States for—	
	Local Development Works	,50,00
	Transport and Communications	
	Grants to States for—	
	Construction of State Roads of Economic or Inter-State Importance	3,50,00
	Works, Housing and Supply	
	Grants to States for—	
	(i) Subsidised Industrial Housing Scheme . . .	2,72,00
	(ii) Slum Clearance Schems .	1,06,00
	TOTAL .	12,38,00
120.—Loans and Advances by the Central Government.	(a) *Advances to State Governments for*—	
	Industrial Estates . . .	4,00,00
	Development of Handloom Industries	1,34,00
	Conversion of Handloom into Powerloom . . .	70,00

(In thousands of Rupees)

Demands	Particulars	Budget, 1961-62
120.—Loans and Advances by the Central Government—*Contd.*	Development of Small Scale Industries	4,10,00
	Development of Coir Industries	18,00
	Development of Silk Industry	26,00
	Industrial Schemes	3,00,00
	Development of Handicrafts	22,00
	Adoption of Metric system of Weights and Measures	25,00
	Co-operation Scheme	50,00
	Community Development Projects and National Extension Service Schemes	16,50,00
	Construction of hostels for Higher Secndary Schools and affiliated Colleges	22,00
	Miscellaneous Development Purposes	85,05,00
	Public Co-operation Schemes	10,00
	Agricultural Production	28, 50,00
	Animal Husbandry, Dairying and Fisheries	2,70,00
	Forest and Soil Conservation Schemes	3 ,60,00
	Urban Water Supply and Drainage Schemes	8,00,00
	State Corporations	1, 00,00
	Development Shemees in Border Areas	1 ,84,00
	Equipments received under T.C.A. and Colombo Plan for irrigation purposes.	21,14
	Miscellaneous Irrigation Purposes	62,54,75
	Permanent Improvement in Scarcity affected Areas	25,00
	Flood Control	9,00,00
	Rural Electrification	10,00,00
	Rehabilitation Purposes	3,26,66
	Construction of Students' Hostels, Engineering and Technological Institutions	1,20,00
	Minor Ports Development Schemes	60,00

(In thousands of Rupees)

Demands	Particulars	Budget, 1961-62
120.—Loans and Advances by the Central Government—*Contd.*	Industrial Housing Schemes	2,72,00
	Rural Housing Schemes	2,14,10
	Plantation Labour Housing Schemes	16,00
	Low and Middle Income Group Housing Schemes	6,20,00
	Slum Clearance	1,39,00
	Land Acquisition and Development	2,30,00
	(*b*) *Other Loans and Advances*—	
	Development Schemes of Major Ports	3,00,00
	Municipalities in Pondicherry	2,00
	Delhi Municipal Corporation for Water Supply and Disposal Committee	3,00,00
	Local Bodies in Union Territories for Water Supply Schemes	13,00
	New Delhi Municipal Committee for different schemes	67,00
	Delhi Municipal Corporation for meeting capital Development expenditure on miscellaneous items.	90,00
	Delhi Municipal Corporation for slum clearance	1,87,88
	Agriculturists in Pondicherry	2,20
	Grow More Food Purposes in Union Territories	2,93
	Horticultural Schemes in Union Territories	7,00
	Establishment of Garden Colonies	82
	Agriculturists in Andamans	1,38

(In thousands of Rupees)

Demands	Particulars	Budget, 1961-62
120—Loans and Advances by the Central Government—*Contd.*	C. D. Schemes in Delhi .	1,00
	C. D. Schemes in Pondicherry.	50
	Co-operative Societies in Union Territories for construction of godowns . . .	4,00
	Co-operative Farming Societies to Union Territories . .	2,00
	Voluntary Organisations for Construction of Hostels in big cities	2,00
	Universities and Constituents Colleges of Delhi University .	2,00
	Affiliated Colleges for Construction of hostels. . . .	1,00
	Co-operative Societies to Pondicherry for Industrial Purposes	19
	Fisheries in Pondicherry .	25
	Development of Power in Pondicherry . . .	2,00
	State Aid to Industries in Pondicherry . . .	3,64
	Animal husbandry in Pondicherry . . .	25
	Industrial Credit and Investment Corporation of India .	3,00,00
	Industrial Finance Corporation	10,00,00
	Voluntary Organisations	7,50
	Development of Mixed Farming	40
	Soil Conservation Scheme in Himachal Pradesh . .	1,72
	Cowdung Gas Plant in Delhi.	4
	Regulated Markets . . .	1,00
	Increasing Milk Supply in Rural Areas in Delhi .	2,00
	Commercial poultry breeders in Delhi	10
	Poultry marketing equiptment in Delhi	20

(In thousands of Rupees)

Demands	Particulars	Budget, 1961-62
120.—Loans and Advances by the Central Government—*Contd.*	Establishment of Fruit Preservation Factory	15
	Industrial Cooperatives	36
	Fishermen Co-operative Society in Andamans	13
	Settlement of Fishermen's families	38
	Cooperative Societies in Andamans for construction of godowns	11
	Colonisation Schemes in Andamans	8,19
	Purchase of milch cattle	62
	Port Blair Municipal Board	2,24
	Delhi Municipal Corporation for Delhi State Electricity Undertaking	1,00,00
	Construction of staff quarters at Engineering Institute	7,50
	Construction of Students Hostels under the Scheme of Development of Scientific and Technical Research	1,70,00
	National Research Development Corporation	15,00
	Institutions and Private Bodies for construction of Hostels under the Practical Training Stipends Scheme.	5,00
	C.S.I.R. for production of ceramic articles	1,62
	Delhi Municipal Corporation for Delhi Road Transport Authority	46,00
	Delhi State Goods Transport Cooperative Society	2,90
	Debenture loan to Hindustan Shipyard for Dry Dock	1,00
	Industrial Housing Scheme	7,00
	Plantation Housing Scheme	20
	Village Housing Scheme	5,00
	Low Income Group Housing Scheme	65,45
	Middle Income Group Housing Scheme in Delhi	30,35
	Slum clearance in Union Territories	50
	Dock Labour Boards for low income group housing schemes	45,00
	Development of Handloom Industry	1,00
	Conversion of Handlooms into Powerlooms	1,00

(In thousands of Rupees)

Demands	Particulars	Budget, 1961-62
120.—Loans and Advances by the Central Government—*Contd.*	Heavy Electricals Ltd.	10,00,00
	Hindustan Cables Ltd.	30,00
	Development of Handicrafts	1,00
	Development of Village Industries	1,70,00
	Development of Traditional Khadi Industries	2,25,00
	Development of Ambar Charkha	2,11,50
	Development of Small Scale Industries	13,25
	National Small Industries Corporation	94,00
	National Industrial Development Corporation	2,50,00
	Fertilizers Corporation of India	7,85,00
	Development of Small Scale Industries in Himachal Pradesh	3,00
	National Coal Development Corporation	9,00,00
	Mysore Iron and Steel Corporation	1,00,00
	Indian Refineries Ltd.	5,00,00
	Sikkim Mining Corporation	3,67
	National Mineral Development Corporation	1,75,00
	Hindustan Steel Ltd.	40,00,00
	Displaced Persons in Union Territories	20,00
	Displaced Persons in Dandararanya	60,00
	Agriculturists in N.H.T.A.	1,50
	Development of Small Scale Industries in Manipur and Tripura	3,75
	Introduction of Horticulture in rehabilitation centres in Tripura	50
	Development of cashewnuts in Tripura	50

(In thousands of Rupees)

Demands	Particulars	Budget, 1961-62
120.—Loans and Advances by the Central Government—*concld.*	Development of Handloom Industries in Manipur and Tripura	82
	Development of Silk Industry in Tripura	5
	C. D. Projects in Tripura	4,87
	Improvement of Markets in Tripura	40
	Industrial loans in N.H.T.A.	1,00
	Cooperative loans in N.H.T.A.	2,00
	Joint Steamer Companies, Calcutta	58,34
	Construction of Sailing Vessels of Modern Design	5,00
	Sailing Vessel Industry	3,00
	Shipping Development Fund	7,00,00
	Islanders in Laccadive, Minicoy and Amindivi Islands for fitting engines to odame	40
	Railway Development Fund	14,76,75
	TOTAL	4,00,27,65
121.—Capital Outlay on Forest.	Communications and buildings in Himachal Pradesh	2,49
	Soil Conservation Research Demonstration and Training Centre, Chandigarh	6
	TOTAL	2,55
123.—Other Capital Outlay of the Ministry of Food and Agriculture.	Expansion of the Indian Agricultural Research Institute	2,20
	Development of Marine Fisheries	37,84
	Grow More Food Schemes in Union Territories	27,62

(In thousands of Rupees)

Demands	Particulars	Budget, 1961-62
123.—Other Capital Outlay of the Ministry of Food and Agriculture—*Concld.*	Construction of Central Control Laboratory	10,50
	Share Capital contributed to State Warehousing Corporation	1,30,00
	Equipments for Delhi Milk Supply Scheme . . .	30,00
	Construction of Food Storage Godowns	4,98,94
	Modern Storage Project . .	1,06
	Training Scheme for Tractor Operators	1,70
	Central Potato Research Institute	3,55
	Central Rice Research Institute	14,84
	Development of National Dairy Research Institute . .	2,20
	Plant Protection and Quarantine	8,65
	Central Mechanised Farm .	15,79
	Sugar and Sugarcane Institutes	50
	Sugarcane Breeding Institute, Coimbatore . . .	1,00
	National Sugar Institute, Kanpur	25,00
	TOTAL .	8,11,39
124.—Capital Outlay of the Ministry of Health.	National Water Supply and Sanitation Programme in Union Territories	56,00
125.—Capital Outlay of the Ministry of Home Affairs.	Shipping Tankers . . .	65,01
126.—Capital Outlay of the Ministry of Information and Broadcasting.	Net expenditure on Works, Equipments, etc, . . .	3,30,00
127.—Capital Outlay on Multi-purpose River Schemes.	Land and Buildings for the Central Water and Power Research Station, Poona . . .	20,00
	Damodar Valley Corporation .	3,05,25
	Power Engineering Research Institute, Bangalore . .	6,00
	Technical Training Centre .	3,50
	TOTAL .	3,34,75

(In thousands of Rupees)

Demands	Particulars	Budget, 1961-62
128.—Other Capital Outlay of the Ministry of Irrigation and Power.	Flood Control Works in—	
	(i) Tripura	1,60
	(ii) Himachal Pradesh	20
	(iii) Delhi	35,00
	Electricity Schemes in—	
	(i) Manipur	41,50
	(ii) Naga Hills and Tuensang Area	6,75
	(iii) Tripura	7,07
	(iv) North East Frontier Agency	6,50
	(v) Himachal Pradesh	1,99,50
	(vi) Andaman & Nicobar Islands	3,65
	(vii) Laccadive, Minicoy and Amindivi Islands	1,50
	Rural Electrification Scheme	2,40
	TOTAL	3,05,67
130.—Capital Outlay of the Ministry of Rehabilitation.	Dandakaranya Development Scheme	6,40,00
131.—Capital Outlay of the Ministry of Scientific Research and Cultural Affairs.	Grants-in-aid to the Council of Scientific and Industrial Research	3,10,00
	Equipment for Indian School of Mines	3,50
	Equipment for Geophysical Research	2,00
	Equipment for Oceanographic Research Wing of the Central Board of Geophysics	75
	TOTAL	3,16,25

(In thousands of Rupees)

Demands	Particulars	Budget, 1961-62
132.—Capital Outlay of the Ministry of Steel, Mines and Fuel.	Purchase of Shares of National Coal Development Corporation Ltd.	9,00,00
	Investment in Indian Refincries Ltd.	4,00,00
	Purchase of Shares of Indian Oil Company	1,50,00
	Purchase of Shares of Oil India Ltd.	1,42,00
	Purchase of Shares of Neyveli Lignite Corporation Ltd.	22,00,00
	Acquisition of land for Hindusthan Steel Ltd.	5,00
	Purchase of Shares of National Mineral Development Corporation	1,75,00
	Purchase of Shares of Sikkim Mining Corporation	10,29
	Purchase of Shares of Mysore Iron & Steel Corporation	25,00
	Expenditure on Coal Prospecting Scheme of the Indian Bureau of Mines	1,40,00
	Acquisition of Coal Bearing Areas	6,80
	Oil and Natural Gas Commission	21,50,00
	Purchase of Shares in Bolani Ores, Ltd.	5,05
	TOTAL	63,09,14
133.—Capital Outlay on Posts and Telegraphs (not met from Revenue).	Posts and Telegraphs Development Schemes	12,90,00
134.—Capital Outlay on Civil Aviation.	Aviation Works and Equipment	4,25,11
	Meteorological Equipment	11,30
	TOTAL	4,36,41
135.—Capital Outlay on Ports.	Development of Kandla Port	1,44,00
	Development of Vizagapatnam Port	1,12,00
	Development of Township of Gandhidham	23,50
	Development of Minor Ports in Andaman and Nicobar Islands	9,00
	TOTAL	2,88,50

(In thousands of Rupees)

Demands	Particulars.	Budget, 1961-62
136.—Capital Outlay on Roads.	National Highways and other Roads	15,75,09
137.—Other Capital Outlay of the Ministry of Transport and Communications.	Capital expenditure on Road Transport Service in Himachal Pradesh and Manipur . .	40,43
	Dredger-*cum*-survey launch pool for Minor Ports in India	1,10,00
	Investment in Eastern Shipping Corporation . . .	2,00,00
	Investment in Western Shipping Corporation	2,50,00
	Investments in the Air Corporations . . .	3,92,00
	Purchase of shares of Hindustan Teleprinters, Ltd. .	50,00
	Capital Outlay on the Overseas Communication Service Station	47,31
	Purchase of Shares of Hindustan Shipyard Ltd. . . .	1,20,38
	Establishment of Second Shipyard	60,00
	TOTAL .	12,70,12
138.—Delhi Capital Outlay	Industrial Housing Scheme in Delhi	14,00
	Low Income Group Housing Scheme in Delhi .	9,00
	Land Acquisition and Development Scheme in Delhi .	5,20,00
	Other Buildings in Delhi .	4,69,87
	TOTAL . .	10,12,87
139.—Capital Outlay on Buildings.	Buildings other than in Delhi	5,13,16
140.—Other Capital Outlay of the Ministry of Works, Housing and Supply.	Grants to Municipal Bodies for slum clearance . .	2,17,62
	Grants to Employers for Subsidised Industrial Housing Schemes	7,00
	TOTAL .	2,24,62
141.—Capital Outlay of the Department of Atomic Energy.	Capital Expenditure on Atomic Energy Research . .	5,24,10
	TOTAL—CAPITAL Budget	6,06,48,65
	GRAND TOTAL .	7,87,44,00

Statement Showing resources transferred From Centre to States

(Figures in lakhs of Rupees)

Sl. No.	Purpose	Ist 5 year Plan Period	IInd 5 year Plan Period					IIIrd 5 Year Plan Period
		Actuals	Actuals 1956-57	Actuals 1957-58	Actuals 1958-59	Actuals 1959-60	Revised 1960-61	Budget 1961-62
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	PART I. *Taxes and Duties*							
	(*i*) Share of Divisible Taxes and Duties.							
1	Income Tax	2,78,24	58,75	73,43	75,80	79,32	86,98	80,79
2	Union Excise Duties	46,06	18,22	28,71	33,49	35,79	36,75	36,24
	(*ii*) Taxes and Duties accruing wholly to States.							
1	Additional Duties of Excise in lieu of Sales Taxes	..	..	11,51	39,50	38,91	38,35	40,09
2	Taxes on Railway Passenger Fares	..	..	4,81	10,89	13,07	13,79	..
3	Estate Duty	2,44	2,41	2,40	2,38	2,76	2,91	2,91
	TOTAL—Part I	3,26,74	79,38	1,20,86	1,62,06	1,69,85	1,78,78	1,60,03
	PART II. *Grants met from Revenue*							
	A. *Statutory Grants*							
1	Article 273 of the Constitution	14,45	3,15	3,15	3,15	3,15	..	..
2	Substantive provision of Article 275(1)	27,03	7,74	36,25	36,25	36,25	39,50	39,50
3	Provisos to Article 275(1)	13,45	5,11	2,97	5,61	8,35	12,15	5,30
4	Article 278	49,47	..	..	..	..	..	..
5	Section 74 of the S. R. Act	..	3,54	1,35	1,15	1,02	..	..
	B. *Other Grants*							
1	Forests :							
	(*a*) Forest and Soil Conservation Schemes	30	34	82	1,27	1,48	1,93	1,10
	(*b*) Other Grants	..	..	..	..	..	..	1,80

1	2	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2	General Administration :							
	(*a*) Contribution for Election Expenses	..	..	..	..	71	86	2,80
3	Police :							
	Payments for Police Force	..	..	..	..	..	2,12	2,24
4	Scientific Departments :							
	(*a*) Scientific & Technical Education	2,12	1	51	1,29	2,94	2,94	5,05
	(*b*) Reorganisation and Development of Museums	..	..	..	1	7	16	10
	(*c*) Other Grants	..	..	..	..	..	..	15
5	Education :							
	(*a*) Primary and Basic Education							14,00
	(*b*) Secondary Education	13,27	25	3,66	11,66	17,86	24,25	5,11
	(*c*) Other Grants					3	39	5,00
6	Medical :							
	(*a*) Medical Education	..	23	76	1,79	2,56	3,28	1,50
	(*b*) Schemes for Control of Diseases	1	5	38	82	15	13	16
	(*c*) Other Grants					44	47	3
7	Public Health							
	(*a*) Education and Training Schemes	..	..	..	13	20	19	46
	(*b*) Schemes for Control of Diseases	..	10	12	44	1,25	1,50	6,07
	(*c*) Primary Health Units and Family Planning	15	..	61	2,67	1,57	1,82	3,75
	(*d*) Malaria Eradication and Other Grants including Material and Equipment	6,80	3,51	4,66	4,94	13	10,24	7,25
8	Agriculture:—							
	(*a*) Agricultural Production and Research	15,57	3,21	5,87	6,37	7,11	7,75	9,83
	(*b*) Fisheries				4	40	51	62
9	Rural Development	..	..	..	73	65	1,00	..
10	Animal Husbandry	12	46	43	59	1,49	1,92	1,79
11	Co-operation	..	..	..	..	..	..	7
12	Industries and Supplies:							
	(*a*) Development of Handloom	1,60	1,98	2,07	2,31	5,03	3,00	2,90
	(*b*) Development of Handicrafts	16	..	37	37	34	45	48
	(*c*) Development of Sericulture and Silk	..	..	..	..	35	40	52
	(*d*) Development of Small Scale Industries	..	..	..	..	83	1,25	1,50
	(*e*) Development of Coir Industry	..	..	..	..	2	4	5
	(*f*) Other Grants	..	..	..	..	1	6	9
13	*Broadcasting*:							
	(*a*) Community Listening	3	20	12	17	16	15	8
	(*b*) Press Information Bureau	..	..	..	..	..	..	3

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
14	*Labour & Employment*:							
	(*a*) Training of Craftsmen					2	12	36
	(*b*) Training of Displaced persons.	..	..	1,54	2,14	..	..	19
	(*c*) Other Grants					3,24	4,12	5,42
15	Miscellaneous Departments.							
	(*a*) National Sample Survey.	..	..	..	..	..	..	14
	(*b*) Small Savings Scheme	..	..	..	6	11	19	21
	(*c*) Dairy Development	..	..	..	57	92	1,10	1,15
	(*d*) Improvement of Statistics	..	30	42	24	24	34	30
	(*e*) Development of Tourists Centres	..	1	6	16	18	32	13
	(*f*) National Building Organisaition	..	..	..	..	..	1	2
	(*g*) Other Grants.	..	..	..	..	..	..	60
16	Community Development, National Extension Service and Local Development Works:							
	(*a*) Community Development Projects	9,80	3,07	3,13	10,29	15,95	16,86	16,40
	(*b*) National Extension Service.	5,09	5,17	5,59	1,11	1,54	2,74	1,73
	(*c*) Training Schemes and Other Grants.	..	..	..	4	8	26	45
17	Civil Works, etc.							
	(*a*) Multipurpose River Schemes	..	.	..	..	..	27	..
18	Miscellaneous Grants:							
	(*a*) Introduction of Metric System	..	..	.	16	21	22	25
	(*b*) Subsidy for the acquisition of Gold from Kolar and Hatti Mines	..	..	..	1,73	2,77	3,25	3,25
	(*c*) Treasury Work and Separation of Audit from Accounts.	..	..	..	..	41	7	7
	(*d*) Assistance for Natural Calamities.	17,41	5,24	3,00	2,73	3,81	5,00	6,00
	(*e*) Grants in lieu of loss in Income-tax Share consequent upon changes in Company Taxation.	..	..	..	..	3,01	24,15	26,91
	(*f*) Grant in lieu of Tax on Railway Fares.	..	..	..	..	..	..	12,47
	(*g*) Subsidy in lieu of Interest							1,13
	(*h*) Welfare of Backward Classes	8,75	2,23	2,83	3,18	4,79	7,35	4,10
	(*i*) Development of Border Areas	..	..	..	..	..	60	3,63
	(*j*) Relief and Rehabilitation of Displaced persons	36,22	12,63	12,10	10,11	8,92	6,97	3,81
	(*k*) Rural Housing Cells	..	..	..	..	..	5	6

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	(*l*) Assistance for Raising Emoluments of Low Paid Employees .	..	..	6,52	10,61	15,86	18,52	..
	(*m*) Construction of Dredger for Buckingham Canal . .	..	..	..	..	..	3	2
	(*n*) Fundamental and Basic Research : .	..	..	..	..	..	..	18
	(*o*) Grants to Meet Revenue Deficit of former Part C States .	19,79	4,37	..	..	..	..	..
	(*p*) Economic Rehabilitation of Tribal Areas in Assam . .		..	..	25	30	40	..
	(*q*) Other Grants (including Food Subsidy to Jammu & Kashmir) .	6,42	5,02	1,65	1,25	96	2,45	39
	TOTAL—PART II. *Grants met from Revenue* .	2,48,01	67,92	1,00,94	1,26,39	1,57,87	2,13,85	2,09,33
	PART III.—*Grants from Central Road Fund*							
	Grants from Central Road Fund	15,93	4,99	3,30	3,51	4,76	5,28	5,21
	PART IV.—*Grants met from Capital*							
1	Local Development Works	12,66	4,28	3,84	3,83	2,97	3,97	4,50
	Housing Schemes :							
2	Industrial Housing and Slum clearance .	4,65	1,53	1,41	2,47	3,48	5,70	3,78
3	Rural Housing Cells set up for implementation of Village Housing Project Scheme .	..	..	..	1	..	..	..
4	Grant to Punjab Government for construction of Capital at Chandigarh	..	1,00	..	..	..	..	..
	Transport Schemes							
5	State Roads of Economic or Inter-State Importance . . .	3,93	2,93	2,84	2,58	4,70	4,75	3,50
6	Construction of Border Roads . . .	..	..	..	..	..	54	4,78
	Other Grants							
7	National Water Supply and Sanitation Programme . . .	2,52	87	1,68	2,32	1,86	1,47	60
8	Grants under the Gadgil Commttee's award .	..	75	40	39	12	6	..
	TOTAL PART—IV—GRANTS MET FROM CAPITAL .	23,76	11,36	10,17	11,60	13,13	16,49	17,16

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	PART V.—*Loan*							
1	Irrigation and Multipurpose River Schemes .	2,52,48	46,34	54,63	66,55	79,32	71,20	72,39
2	Miscellaneous Development Purposes .	1,71,36	35,77	49,99	65,55	45,30	57,97	85,05
3	Agricultural Production, Animal Husbandry, Dairying and Fisheries, Forest and Soil Conservation Schemes .	1,09,96	28,53	36,21	31,59	32,70	50,97	60,00
4	Rehabilitation Purposes	47,96	11,27	5,53	4,80	4,57	3,81	3,27
5	Industrial Housing and Other Housing Schemes	19,94	7,85	9,34	11,09	14,88	18,12	14,91
6	Community Development Projects and National Extension Service Schemes . . .	13,83	6,07	6,40	8,31	12,57	14,00	16,50
7	Natural c lamities . .	2,10	1,41	8,80	2,20	2,00	2,50	2,00
8	Permanent Improvement in scarcity affected areas	27,14	6,53	3,18	1,98	37	25	25
9	Development of Handloom and Small Scale Industries and conversion of Handloom into Power-loom .	..	6,85	6,81	5,85	10,08	5,37	6,14
10	Flood Control Schemes	1,53,76	12,93	13,35	8,96	6,91	7,28	9,00
11	Urban Water Supply Scheme		2,45	6,62	2,87	2,75	8,59	8,00
12	Sharing of Small Savings . .		19,27	40,33	45,27	53,47	68,98	80,00
13	Other Purposes . .	..	24,26	42,41	29,08	30,06	47,03	51,71
	TOTAL Part V LOANS .	7,98,53	2,09,53	2,83,60	2,84,10	2,94,98	3,56,07	4,09,22
	GRAND TOTAL .	14,12,97	3,73,18	5,18,87	5,87,66	6,40,59	7,70,47	8,00,95

The Actuals shown above are provisional.

ANNEXURE XI

Statement showing the distribution, by Demands for Grants and Charged Appropriations, of the provision for "Assistance to State Governments" and other "Expenditure" included in the expenditure estimates for 1960-61 *and* 1961-62

This Annexure is intended to show, at one place, the gross amount of the provision included in the Budget and Revised estimates for 1960-61 and the Budget estimate for 1961-62 for "Assistance to State Governments" and "Other Expenditure" in each Demand for Grant and Charged Appropriation. Assistance to State Governments met out of Revenue and Capital, including Loans, has been shown separately ; the former includes payment of their share of Union Excise Duties and subventions from the Central Road Fund but excludes the amount, written back to Revenue, of grants for development initially met from Capital.

2. The current year's Demands for Grants and Charged Appropriations included, in the Budget estimates, provision of Rs 662·65 crores for assistance to States comprising Rs. 301·16 crores on Revenue Account and Rs. 361·49 crores on Capital Account and by way of Loans. Total assistance to States in the current year is now estimated at Rs. 665·31 crores consisting of Rs. 294·22 crores on Revenue Account and Rs. 371·09 crores on Capital Account and Loans. For 1961-62, such assistance, on Revenue Account, is estimated at Rs. 290·87 crores and on Capital Account and Loans, at Rs. 426·38 crores, that is Rs. 717·25 crores in all.

Service, Administration or Area to which Demand Appropriation relates	Budget Estimate, 1960-61			Revised Estimate, 1960-61			Budget Estimate, 1961-62		
	Assistance to States	Other Expenditure	Total	Assistance to States	Other Expenditure	Total	Assistance to States	Other Expenditure	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
A.—DEMANDS AND APPROPRIATIONS ON REVENUE ACCOUNT:—								(In thousands of Rupees)	
1 Ministry of Commerce and Industry	..	76,72	76,72	..	78,10	78,10	..	77,31	77,31
2 Industries	4,73,00	21,39,54	26,12,54	5,19,51	18,55,35	23,74,86	..	19,74,62	19,74,62
3 Salt	..	53,24	53,24	..	52,87	52,87	..	53,68	53,68
4 Commercial Intelligence and Statistics	..	84,03	84,03	..	84,00	84,00	..	93,28	93,28
5 Miscellaneous Departments and Expenditure under Ministry of Commerce and Industry	22,00	2,24,29	2,46,29	22,00	2,15,14	2,37,14	..	2,35,86	2,35,86
6 Ministry of Community Development and Co-operation	..	29,83	29,83	..	27,93	27,93	..	30,54	30,54

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
7 Community Development, Projects, National Extension service & Co-operation	19,84,39	3,89,95	23,74,34	19,86,64	3,86,13	23,72,77	..	3,00,62	3,00,62
8 Ministry of Defence	..	42,09	42,09	..	42,08	42,08	..	43,83	43,83
9 Defence Services Effective Army	..	201,09,40	201,09,40	..	198,52,23	198,52,23	..	208,41,62	208,41,62
10 Defence Services Effective—Navy	..	19,55,79	19,55,79	..	18,88,68	18,88,68	..	20,05,15	20,05,15
11 Defence Services Effective—Air Force	..	62,69,94	62,69,94	..	60,28,05	60,28,05	..	62,93,98	62,93,98
12 Defence Services Non-Effective Charges	..	16,21,20	16,21,20	..	15,24,70	15,24,70	..	18,60,00	18,60,00
13 Ministry of Education	..	42,36	42,36	..	41,69	41,69	..	42,31	42,31
14 Education	24,53,34	11,11,60	35,64,94	24,25,13	11,14,90	35,40,03	..	16,79,35	16,79,35
15 Miscellaneous Departments and Expenditure under Ministry of Education	6,00	3,76,34	3,82,34	4,20	3,19,37	3,23,57	..	2,93,93	2,93,93
16 Tribal Areas	..	10,27,74	10,27,74	..	10,11,01	10,11,01	..	10,77,09	10,77,09
17 Naga-Hills Tuensang Area	..	3,26,09	3,26,09	..	3,26,09	3,26,09	..	3,72,58	3,72,58
18 External Affairs	..	11,85,59	11,85,59	..	11,83,01	11,83,01	..	12,24,84	12,24,84
19 State of Pondicherry	..	3,43,09	3,43,09	..	3,31,31	3,31,31	..	4,31,79	4,31,79
20 Miscellaneous Expenditure under the Ministry of External Affairs	4	4,87	4,91	3	4,69	4,72	..	3,27,12	3,27,12
21 Ministry of Finance	..	1,67,82	1,67,82	..	1,69,39	1,69,39	..	1,75,02	1,75,02
22 Customs	..	3,94,53	3,94,53	..	3,83,08	3,83,08	..	4,02,42	4,02,42
23 Union Excise Duties	74,52,17	8,84,54	83,36,71	75,09,91	8,67,77	83,77,68	..	8,95,75	8,95,75
24 Taxes on Income including Corporation tax etc.	..	5,97,25	5,97,25	..	5,83,91	5,83,91	..	5,93,89	5,93,89
25 Opium	..	4,98,30	4,98,30	..	4,68,32	4,68,32	..	5,40,85	5,40,85

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
26 Stamps	..	2,59,30	2,59,30	..	2,59,05	2,59,05	..	2,66,59	2,66,59
27 Audit	..	12,16,93	12,16,93	..	12,12,74	12,12,74	..	12,13,57	12,13,57
28 Currency	..	3,79,82	3,79,82	..	4,39,80	4,39,80	..	5,23,59	5,23,59
29 Mint	..	6,59,77	6,59,77	..	6,59,78	6,59,78	..	6,90,82	6,90,82
30 Territorial & Political Pensions	..	23,46	23,46	..	23,46	23,46	..	23,58	23,58
31 Superannuation Allowances and Pension	.	4,60,47	4,60,47	..	4,73,88	4,73,88	..	4,90,02	4,90,02
32 Miscellaneous Departments and other Expenditure under the Ministry of Finance	56,19,01	17,61,76	73,80,77	51,18,42	12,47,76	63,66,18	..	14,43,87	14,43,87
33 Planning Commission	..	2,53,98	2,53,98	..	2,47,47	2,47,47	..	87,41	87,41
34 Grants-in-aid to States	51,65,00	..	51,65,00	51,65,00	..	51,65,00	214,53,75	6,10,55	220,64,30
35 Miscellaneous adjustment between the Union and State Governments	..	16,14	16,14	..	22,34	22,34	..	22,33	22,33
36 Pre-partition Payments	..	51,90	51,90	..	44,18	44,18	..	31,53	31,53
Interest on Debt and Other Obligations and Reduction or Avoidance of Debt.	..	196,79,76	196,79,76	..	194,09,85	194,09,85	..	218,61,93	218,61,93
Payment of States shares' of Union Excise Duties	..	..	..	..	..	..	76,33,15	..	76,33,15
37 Ministry of Food and Agriculture	..	75,48		..	71,27	71,27	..	74,37	74,37
38 Forest	1,93,00	87,00	2,80,00	1,93,00	73,32	2,66,32	..	96,41	96,41
39 Agriculture	7,87,54	2,66,48	10,54,02	7,73,29	2,80,73	10,54,02	..	4,29,85	4,29,85
40 Agricultural Research	52,74	4,70,25	5,22,99	52,74	4,63,73	5,16,47	..	6,25,63	6,25,63
41 Animal Husbandry	1,97,67	83,32	2,80,99	1,91,71	73,02	2,64,73	..	1,08,46	1,08,46
42 Miscellaneous Departments and Other Expenditure under the Ministry of Food & Agriculture	2,15,43	10,65,63	12,81,06	2,28,20	10,80,22	13,08,42	..	11,73,70	11,73,70
43 Ministry of Health	..	18,01	18,01	..	17,61	17,61	..	16,68	16,68
44 Medical & Public Health	19,74,75	82,29,49	28,04,24	17,63,24	8,02,63	25,65,87	..	10,80,16	10,80,16

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
45 Miscellaneous Departments & Expenditure under the Ministry of Health	..	93,83	93,83	..	93,83	93,83	..	1,06,72	1,06,72
46 Ministry of Home Affairs	..	3,33,99	3,33,99	..	3,30,62	3,30,62	..	3,51,77	3,51,77
47 Cabinet	..	37,81	37,81	..	37,78	37,78	..	37,24	37,24
48 Zonal Councils	..	2,74	2,74	..	2,51	2,51	..	2,43	2,43
49 Administration of Justice	..	20,28	20,28	..	20,28	20,28	..	22,58	22,58
50 Police	1,90,84	5,30,21	7,21,05	2,12,36	5,95,22	8,07,58	..	7,09,85	7,09,85
51 Census	..	1,52,32	1,52,32	..	2,02,31	2,02,31	..	3,34,02	3,34,02
52 Statistics	32,00	1,57,90	1,89,90	33,50	1,54,86	1,88,36	..	1,57,44	1,57,44
53 Privy Purses and Allowances of Indian Rulers	..	5,44,59	5,44,59	..	5,54,37	5,54,37	..	5,44,78	5,44,78
54 Delhi	..	12,56,46	12,56,46	..	12,56,41	12,56,41	..	14,84,40	14,84,40
55 Himachal Pradesh	..	6,96,61	6,96,61	..	7,77,17	7,77,17	..	9,49,40	9,49,40
56 Andaman and Nicobar Islands	..	2,96,80	2,96,80	..	2,75,93	2,75,93	..	2,97,97	2,97,97
57 Manipur	..	3,28,80	3,28,80	..	3,88,29	3,88,29	..	3,99,46	3,99,46
58 Tripura	..	4,27,52	4,27,52	..	4,77,45	4,77,45	..	6,26,85	6,26,85
59 Laccadive, Minicoy and Amindivi Islands	..	23,59	23,59	..	19,62	19,62	..	27,43	27,43
60 Miscellaneous Departments and Expenditure under the Ministry of Home Affairs	9,07,00	1,48,88	10,55,88	10,56,84	1,24,07	11,80,91	..	69,70	69,70
61 Ministry of Information and Broadcasting	..	13,83	13,83	..	13,67	13,67	..	14,32	14,32
62 Broadcasting	15,00	4,98,95	5,13,95	15,00	4,70,14	4,85,14	..	5,61,12	5,61,12
63 Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting	..	3,80,64	3,80,64	..	3,68,07	3,68,07	..	4,01,48	4,01,48
64 Ministry of Irrigation and Power	..	24,36	24,36	..	24,36	24,36	..	24,03	24,03

1	2	3	4	5	6	7	8	9	10
65 Multi-Purpose River Schemes . . .	..	2,23,72	2,23,72	26,50	1,97,22	2,23,72	..	1,63,49	1,63,49
66 Miscellaneous Departments and Other Expenditure under the Ministry of Irrigation and Power	..	1,84,93	1,84,93	..	1,87,43	1,87,43	..	2,49,52	2,49,52
67 Ministry of Labour and Employment .	..	20,61	20,61	..	20,61	20,61	..	25,37	25,37
68 Chief Inspector of Mines . . .	..	1,25,02	25,02	..	18,82	18,82	..	23,11	23,11
69 Labour and Employment	..	..	..	..	..	..	..	5,80,53	5,80,53
70 Miscellaneous Departments and Other Expenditure under the Ministry of Labour and Employment	5,72,85	5,61,24	11,34,09	4,24,44	5,19,24	9,43,68	..	1,05	1,05
71 Ministry of Law	..	27,89	27,89	..	27,97	27,97	..	37,87	37,87
72 Elections	85,99	11,01	97,00	85,71	11,06	96,77	..	28,45	28,45
73 Miscellaneous Expenditure under the Ministry of Law	..	..	..	..	2,02	2,02	..	1,39	1,39
74 Ministry of Rehabilitation. . . .	..	33,71	33,71	..	32,17	32,17	..	27,63	27,63
75 Expenditure on Displaced Persons and Minorities	7,08,93	13,19,28	20,28,21	6,96,58	13,31,74	20,28,32	..	11,27,79	11,27,79
76 Ministry of Scientific Research and Cultural Affairs	..	33,75	33,75	..	31,91	31,91	..	34,39	34,39
77 Archaeology	..	1,22,05	1,22,05	..	1,12,81	1,12,81	..	1,32,60	1,32,60
78 Survey of India	..	1,99,17	1,99,17	..	1,94,73	1,94,73	..	1,98,16	1,98,16
79 Botanical Survey	..	17,27	17,27	..	17,00	17,00	..	25,03	25,03
80 Zoological Survey	..	12,59	12,59	..	11,39	11,39	..	16,66	16,66
81 Scientific Research and Cultural Affairs .	3,16,90	13,89,14	17,06,04	3,48,82	12,47,96	15,96,78	..	20,06,29	20,06,29
82 Miscellaneous Departments and Expenditure under the Ministry of Scientific Research and Cultural Affairs . .	..	40,89	40,89		40,89	40,89	..	55,82	55,82

	2	3	4	5	6	7	8	9	10
83 Ministry of Steel, Mines and Fuel	..	40,41	40,41	..	40,81	40,81	..	39,80	39,80
84 Geological Survey	..	1,99,33	1,99,33	..	1,94,40	1,94,40	..	3,17,18	3,17,18
85 Miscellaneous Departments and Other Expenditure under the Ministry of Steel, Mines and Fuel	..	44,05,57	44,05,57	..	51,87,66	51,87,66	..	40,57,65	40,57,65
86 Ministry of Transport and Communications	..	59,61	59,61	..	66,79	66,79	..	69,95	69,95
87 Indian Posts and Telegraphs Department	..	71,62,98	71,62,98	..	71,03,24	71,03,24	..	74,93,28	74,93,28
88 P & T Dividend to General Revenues and Appropriations to Reserve Fund	..	8,83,99	8,83,99	..	11,32,29	11,32,29	..	11,56,77	11,56,77
89 Mercantile Marine	..	68,90	89,90	..	69,01	69,01	..	76,34	76,34
90 Lighthouses and Lightships	..	1,50,07	1,50,07	..	1,48,56	1,48,56	..	1,50,55	1,50,55
91 Meteorology	..	1,85,29	1,85,29	..	1,82,83	1,82,83	..	2,00,09	2,00,09
92 Overseas Communications Service	..	1,37,93	1,37,93	..	1,30,66	1,30,66	..	1,84,85	1,84,85
93 Aviation	..	6,94,20	6,94,20	..	6,68,85	6,68,85	..	6,58,94	6,58,,94
94 Central Road Fund	6,47,57	4,18,43	10,66,00	5,28,14	4,39,07	9,67,21	..	4,36,40	4,36,40
95 Communications (including National Highways)	..	7,49,00	7,49,00	..	7,68,00	7,68,00	..	6,52,00	6,52,00
96 Miscellaneous Departments and Other Expenditure under the Ministry of Transport and Communications	36,59	2,39,74	2,76,33	35,74	2,40,40	2,76,14	..	2,77,36	2,77,36
97 Ministry of Works, Housing and Supply	..	64,58	64,58	..	64,34	64,34	..	64,94	64,94
98 Supplies	..	2,95,62	2,95,62	..	3,03,66	3,03,66	..	3,08,55	3,08,55
99 Other Civil Works	..	28,44,43	28,44,43	..	33,24,66	33,24,66	..	33,51,25	33,51,25

1	2	3	4	5	6	7	8	9	10
100 Stationery & Printing	..	7,90,54	7,90,54	..	8,58,54	8,58,54	..	8,93,57	8,93,57
101 Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply	6,50	1,51,84	1,58,34	6,05	1,40,78	1,46,83	..	66,45	66,4
102 Department of Atomic Energy	..	16,30	16,30	..	16,30	16,30	..	16,43	16,45
103 Atomic Energy Research	..	5,41,81	5,41,81	..	5,18,76	5,18,76	..	5,85,60	5,85,60
104 Department of Parliamentary Affairs	..	2,59	2,59	..	2,36	2,36	..	2,56	2,56
105 Lok Sabha	..	1,04,22	1,04,22	..	98,78	98,78	..	99,56	99,56
106 Miscellaneous Expenditure under Lok Sabha	..	41	41	..	41	41	..	42	42
107 Rajya Sabha	..	37,91	37,91	..	36,18	36,18	..	38,69	38,69
Staff, Household and Allowances of the President	..	24,91	24,91	..	24,91	24,91	..	26,83	26,83
108 Secretariat of the Vice-President	..	73	73	..	57	57	..	71	71
Union Public Service Commission	..	45,66	45,66	..	43,01	43,01	..	46,71	46,71
TOTAL—DEMANDS AND APPROPRIATIONS ON REVENUE ACCOUNT	301,16,25	981,24,47	1282,40,72	294,22,70	977,40,40	1271,63,10	290,86,90	1058,70,05	1349,56,95
B.—DEMANDS AND APPROPRIATIONS ON CAPITAL ACCOUNT (INCLUDING LOANS):									
109 Capital Outlay of the Ministry of Commerce and Industry	..	25,61,36	25,61,36	..	24,37,55	24,37,55	..	26,66,50	26,66,50
110 Capital Outlay of the Ministry of Community Development and Co-operation	..	5,15,00	5,15,00	..	5,15,64	5,15,64	..	5,41,14	5,41,14
111 Defence Capital Outlay	..	39,64,00	39,64,00	..	37,34,95	37,34,95	..	33,00,60	33,00,60
112 Capital Outlay of the Ministry of Education	..	22,81	22.81	..	17,44	17,44	..	18,10	18,10
113 Capital Outlay of the Ministry of External Affairs	..	85,71	85,71	..	80,39	80,39	..	88,32	88,32

1	2	3	4	5	6	7	8	9	10
114 Capital Outlay on the India Security Press	..	13,34	13,34	..	10,95	10,95	..	32,58	32,58
115 Capital Outlay on Currency and Coinage	..	5, 50,72	5,50,72	..	9,13,07	9,13,07	..	10,27,91	10,27,91
116 Capital Outlay on Mints	..	10,15	10,15	..	11,63	11,63	..	6,91	6,91
117 Commuted Value of Pensions	..	46,00	46,00	..	66,45	66,45	..	1,50,00	1,50,00
118 Other Capital Outlay of the Ministry of Finance	4,00,00	75,09,22	79,09,22	3,96,91	75,07,68	79,04,59	..	81,46,46	81,46,46
119 Capital Otulay on Grants to States for Development	..	..	..	..	..	..	17,16,00	..	17,16,00
120 Loans and Advances by the Central Government	347,57,19	183,74,30	531,31,49	356,07,19	174,36,94	530,44,13	409,21,65	170,60,29	579,81,94
Repayment of debt	..	5327,45,42	5327,45,42	..	4969,74,39	4969,74,39	..	5220,00,78	5220,00,78
121 Capital Outlay on Forests	..	5,62	5,62	..	5,47	5,47	..	5,80	5,80
122 Purchase of Foodgrains	..	207,11,18	207,11,18	..	243,10,18	243,10,18	..	215,33,38	215,33,38
123 Other Capital Outlay of the Ministry of Food and Agriculture	..	45,54,77	45,54,77	..	41,18,37	41,18,37	..	53,39,65	53,39,65
124 Capital Outlay of the Ministry of Health	..	18,68,28	18,68,28	..	18,69,27	18,69,27	..	12,64,53	12,64,53
125 Capital Outlay of the Ministry of Home Affairs	5,00	83,56	88,56	6,02	23,56	29,58	..	92,32	92,32
126 Capital Outlay of the Ministry of Information and Broadcasting	..	1,79,25	1,79,25	..	1,79,25	1,79,25	..	4,94,00	4,94,00
127 Capital Outlay on Multipurpose River Schemes	..	2,70,21	2,70,21	..	1,09,38	1,09,38	..	3,34,75	3,34,75
128 Other Capital Outlay of the Ministry of Irrigation and Power	..	3,24,08	3,24,08	..	11,51,55	11,51,55	..	12,29,18	12,29,18

1	2	3	4	5	6	7	8	9	10
129 Capital Outlay of the Ministry of Labour and Employment	..	2,23	2,23	..	1,23	1,23	..	7,88	7,88
130 Capital Outlay of the Ministry of Rehabilitation	..	22,17,25	22,17,25	..	15,56,86	15,56,86	..	16,90,00	16,90,00
131 Capital Outlay of the Ministry of Scientific Research and Cultural Affairs	..	3,00,67	3,00,67	..	2,54,58	2,54,58	..	4,00,77	4,00,77
132 Capital Outlay of the Ministry of Steel, Mines and Fuel	..	64,50,32	64,50,32	..	68,60,48	68,60,48	..	78,72,99	78,72,99
133 Capital Outlay on Indian Posts and Telegraphs (not met from Revenue)	..	23,56,70	23,56,70	..	19,79,70	19,79,70	..	20,39,28	20,39,28
134 Capital Outlay on Civil Aviation	..	4,60,60	4,60,60	..	4,58,88	4,58,88	..	4,36,41	4,36,41
135 Capital Outlay on Ports	..	2,90,22	2,90,22	..	2,42,61	2,42,61	..	2,88,50	2,88,50
136 Capital Outlay on Roads	4,75,00	15,25,00	20,00,00	5,29,00	26,21,00	31,50,00	..	32,17,09	32,17,09
137 Other Capital Outlay of the Ministry of Transport and Communications	..	10,63,47	10,63,47	..	12,65,66	12,65,66	..	13,42,69	13,42,69
138 Delhi Capital Outlay	..	6,95,41	6,95,41	..	6,95,41	6,95,41	..	12,30,00	12,30,00
139 Capital Outlay on Buildings	..	9,88,59	9,88,59	..	9,88,59	9,88,59	..	9,70,00	9,70,00
140 Other Capital Outlay of the Ministry of Works Housing and Supply	5,12,14	1,92,15	7,04,29	5,69,59	1,34,70	7,04,29	..	2,36,96	2,36,96
141 Capital Outlay of the Department of Atomic Energy	..	5,29,88	5,29,88	..	4,00,94	4,00,94	..	5,45,99	5,45,99
Payments to Retrenched Personnel.	..	4	4	..	9	9	..	..	..
TOTAL—DEMANDS AND APPROPRIATIONS ON CAPITAL ACCOUNT INCLUDING LOANS	361,49,33	6114,67,51	6476,16,84	371,08,71	5789,34,84	6160,43,55	426,37,65	6056,11,76	6482,49,41
GRAND TOTAL	662,65,58	7095,91,98	7758,57,56	665,31,41	6766,75,24	7432,06,65	717,24,55	7114,81,81	7832,06,36

ANNEXURE XII

Analysis of receipts and disbursements in India and abroad

The statement below gives a broad analysis of the receipts and disbursements of the Central Government showing separately the transactions in India and outside the country. These do not include expenditure financed by direct remittances from India to suppliers abroad through commercial banking channels, the amount of which is, however, very small.

RECEIPTS

(Figures in lakhs of Rupees)

	Budget, 1960-61			Revised, 1960-61			Budget, 1961-62		
	India	Abroad	Total	India	Abroad	Total	India	Abroad	TOTAL
I. REVENUE RECEIPTS									
(*a*) Civil . .	915,15	4,50	919,65	919,14	4,58	923,72	958,40	4,52	962,92
(*b*) Defence . .	20,84	1	20,85	20,97	9	21,06	21,13	2	21,15
(*c*) P. & T. . .	8,84	..	8,84	11,32	..	11,32	11,57	..	11,57
TOTAL—REVENUE	944,83	4,51	949,34	951,43	4,67	956,10	991,10	4,54	995,64
II. LOANS									
(*a*) Permanent Debt :									
(*i*) From I.B.R.D. .	..	6,32	6,32	..	42,80	42,80	..	17,59	17,59
(*ii*) For Steel Plants .	..	15,23	15,23	1,47	12,00	13,47	20	8,49	8,69
(*iii*) Other Loans .	396,86	164,80	561,66	369,37	99,00	468,37	402,62	193,55	596,17
(*b*) Floating Debt (Net)	149,57	..	149,57	..	..	..	125,02	..	125,02
TOTAL—LOANS .	546,43	186,35	732,78	370,84	153,80	524,64	527,84	219,63	747,47
III. OTHER RECEIPTS .	290,16	12,78	302,94	522,09	10,33	532,42	389,47	18,97	408,44
TOTAL—RECEIPTS .	1781,42	203,64	1985,06	1844,36	168,80	2013,16	1908,41	243,14	2151,55
OPENING BALANCE .	49,70	80	50,50	67,19	2,48	69,67	49,39	1,00	50,39
GRAND TOTAL .	1831,12	204,44	2035,56	1911,55	171,28	2082,83	1957,80	244,14	2201,94

DISBURSEMENTS

(Figures in lakhs of Rupees)

	Budget, 1960-61			Revised, 1960-61			Budget, 1961-62		
	India	Abroad	Total	India	Abroad	Total	India	Abroad	Total
I. EXPENDITURE MET FROM REVENUE :									
(*a*) Civil :									
(*i*) Offices and organisations abroad including Embassies & Missions	..	7,01	7,01	..	7,07	7,07	..	7,28	7,28
(*ii*) Contributions to U.N. and other International Organisations .	90	2,79	3,69	1,24	2,98	4,22	1,32	2,65	3,97
(*iii*) Debt Charges (including Service charges for Dollar purchases). .	54,64	21,93	76,57	52,19	21,61	73,80	54,89	28,51	83,40
(*iv*) Other expenditure	616,43	4,39	620,82	598,86	6,70	605,56	636,34	9,62	645,96
(*b*) Defence . .	247,02	46,09	293,11	250,97	36,82	287,79	269,54	34,52	304,06
(*c*) P. & T.									
(*i*) Dividend . .	4,47	..	4,47	4,25	..	4,25	5,04	..	5,04
(*ii*) Appropriation from P&T Surplus	4,37	..	4,37	7,07	..	7,07	6,53	..	6,53
TOTAL—EXPENDITURE MET FROM REVENUE . .	927,83	82,21	1010,04	914,58	75,18	989,76	973,66	82,58	1056,24

II. CAPITAL OUTLAY INCLUDING LOANS AND ADVANCES, ETC:									
(*a*) Civil:									
(*i*) Purchase of Food-grains	1,64,22	35,10	1,99,32	2,04,12	28,24	2,32,36	1,68,84	36,03	2,04,87
(*ii*) Purchase of Fertilizers	22,66	10,42	33,08	14,91	11,53	26,44	22,00	18,00	40,00
(*iii*) Steel Plants	61,23	28,77	90,00	53,84	34,16	88,00	30,31	9,69	40,00
(*iv*) Purchases through I.S.M.	..	7,48	7,48		10,65	10,65	..	4,74	4,74
(*v*) Repayment of debt other than Floating debt	1,17,38	19,33	1,36,71	1,17,31	9,06	1,26,37	1,46,60	19,57	1,66,17
(*vi*) Floating debt (net)	..	..	..	34,98	..	34,98	..	..	..
(*vii*) Loans and Advances by Central Govt. (net) excluding loans to H.S. (P) Ltd.	2,90,06	1	2,90,07	2,71,28	2	2,71,30	3,40,42	2	3,40,44
(*viii*) Other Miscellaneous Expenditure and Recoveries on Capital Account.	98	44,23	45,21	48,59	32,07	80,66	55,93	38,76	94,69
TOTAL—CIVIL	6,56,53	1,45,34	8,01,87	7,45,03	1,25,73	8,70,76	7,64,10	1,26,81	8,90,91

DISBURSEMENTS—*concld.*

(Figures in lakhs of Rupees)

	Budget, 1960-61			Revised, 1960-61			Budget, 1961-62		
	India	Abroad	Total	India	Abroad	Total	India	Abroad	Total
II. CAPITAL OUTLAY INCLUDING LOANS AND ADVANCES, ETC.—*concld.*									
(*b*) Defence . .	22,72	15,02	37,74	21,77	14,48	36,25	24,40	7,61	32,01
(*c*) P. & T. . .	15,45	..	15,45	12,05	..	12,05	12,59	..	12,59
(*d*) Railways . .	85,92	34,89	1,20,81	78,24	45,38	1,23,62	1,19,45	40,55	1,60,00
TOTAL—DISBURSEMENTS I & II . .	17,08,45	2,77,46	19,85,91	17,71,67	2,60,77	20,32,44	18,94,20	2,57,55	21,51,75
CLOSING BALANCE . .	48,85	80	49,65	49,39	1,00	50,39	49,19	1,00	50,19
GRAND TOTAL . .	17,57,30	2,78,26	20,35,56	18,21,06	2,61,77	20,82,83	19,43,39	2,58,55	22,01,94
NET SURPLUS (+) DEFICIT (—)	+72,97	—73,82	—85	+72,69	—91,97	—19,28	+14,21	—14,41	—20

Statement showing the distribution by Demands for Grants of the expenditure shown by heads of account in the Budget of the Central Government for 1961-62.

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
1. *Expenditure met from Revenue—*				
Collection of Taxes, Duties and other Revenues.				
1. Customs	22. Customs	4,02,42	..	4,02,42
2 Union Excise Duties	23. Union Excise Duties	8,95,75	—1,95,65	7,00,10
3. Corporation Tax	24. Taxes on Income including Corporation Tax, etc.	2,93,23	..	2,93,23
4. Taxes on Income other than Corporation Tax.	24. Taxes on Income including Corporation Tax, etc.	2,76,19	..	2,76,19
	58. Tripura	7	..	7
	TOTAL—TAXES ON INCOME	2,76,26	..	2,76,26
5. Estate Duty	24. Taxes on Income including Corporation Tax, etc.	6,32	..	6,32
5-A. Taxes on Wealth	24. Taxes on Income including Corporation Tax, etc.	14,77	..	14,77
5-C. Expenditure Tax	24. Taxes on Income, etc.	1,69	..	1,69
5-D. Gift tax	24. Taxes on Income, etc.	1,69	..	1,69
6. Opium	25. Opium	5,40,85	..	5,40,,85
7. Land Revenue	17. Naga Hills—Tuensang Areas	42	..	42
	54. Delhi	3,96	..	3,96
	55. Himachal Pradesh	23,45	..	23,45
	56. Andaman and Nicobar Islands	2,38	..	2,38
	57. Manipur	6,17	..	6,17
	58. Tripura	35,86	..	35,86
	59. Laccadive, Minicoy & Amindivi Islands	88	..	88
	TOTAL—LAND REVENUE	73,12	..	73,12
8. State Excise Duties	17. Naga Hills—Tuensang Areas	8	..	8
	54. Delhi	42,12	..	42,12
	55. Himachal Pradesh	1,91	..	1,91
	57. Manipur	37	..	37
	58. Tripura	57	..	57
	TOTAL—STATE EXCISE DUTIES	45,05	..	45,05
9. Stamps	26. Stamps	2,66,59	—5,76	2,60,83
	54. Delhi	1,38	..	1,38
	55. Himachal Pradesh	16	..	16
	56. Andaman and Nicobar Islands	3	..	3
	57. Manipur	9	..	9
	58. Tripura	20	..	20
	59. Laccadive, Min'coy & Amindivi Islands	1	..	1
	TOTAL—STAMPS	2,68,46	—5,76	2,62,70

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
	16. Tribal Areas	44,93	—20,00	24,93
10. Forest	17. Naga Hills—Tuensang Area	11,33	—4,00	7,33
	38. Forest	96,41	—27	96,14
	54. Delhi	2,32	..	2,32
	55. Himachal Pradesh	1,27,81	..	1,27,81
	56. Andaman and Nicobar Islands	1,17,83	—11 55	1 06,28
	57. Manipur	7,21	..	7,21
	58. Tripura	19,03	..	19,03
TOTAL—FOREST		4,26,87	—35,82	3,91,05
11. Registration	54. Delhi	1,08	..	1,08
	56. Himachal Pradesh	3	..	3
	57. Manipur	29	..	29
	58. Tripura	91	..	91
TOTAL—REGISTRATION		2,31	..	2,31
12. Taxes on Vehicles	17. Naga Hills—Tuensang Areas	8	..	8
	54. Delhi	3,16	..	3,16
	55. Himachal Pradesh	16	..	16
	58. Tripura	14	..	14
TOTAL—TAXES ON VEHICLES		3,54	..	3,54
12-A. Sales Tax	54. Delhi	11,08	..	11,08
	55. Himachal Pradesh	27	..	27
	57. Manipur	41	..	41
TOTAL—SALES TAX		11,76	..	11,76
13. Other Taxes & Duties	54. Delhi	17,68	..	17,68
	55. Himachal Pradesh	1,26	..	1,26
	57. Manipur	2	..	2
	58. Tripura	1	..	1
TOTAL—OTHER TAXES, ETC.		18,97	..	18,97
TOTAL—COLLECTION OF TAXES DUTIES AND OTHER REVENUES		92,83,06	—2,37 23	30,45,83
Irrigation Works—				
18. Other Revenue Expenditure	54. Delhi	3,71	—7	3,64
	55. Himachal Pradesh	5,75	..	5,75
	57. Manipur	1,68	..	1,68
	58. Tripura	3,50	..	3,50
	66. Miscellaneous Departments and other Expenditure under the Ministry of Irrigation and Power	37	..	37
TOTAL—OTHER REVENUE EXPENDITURE		15,01	—7	14,94

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
20.—Dividend to General Revenues.	85. Posts and Telegraphs Dividend to General Revenues and Appropriation to Reserve Fund . . .	11,56,77	..	11,56,77
22. Interest on Debt and other obligations.	*Interest on Debt and other obligations*	2,13,61,93	—1,36,72,25	76,89,68
23. Appropriation for Reduction or Avoidance of Debt.	Do. . .	5,00,00	..	5,00,00
Administrative Services—				
25. General Administration . . .	1. Ministry of Commerce and Industry. . . .	77,31	—42	76,89
	6. Ministry of Community Development and Co-operation .	30,54	..	30,54
	8. Ministry of Defence .	43,83	..	43,83
	13. Ministry of Education .	42,31	..	42,31
	16. Tribal Areas . . .	2,07,18	—52,74	1,54,44
	17. Naga Hills—Tuensang Areas	69,20	..	69,20
	18. External Affairs. . .	1,23,89	—64	1,23,25
	21. Ministry of Finance .	1,75,02	—26	1,74,76
	37. Ministry of Food and Agriculture	74,37	—5	74,32
	43. Ministry of Health . .	16,68	..	16,68
	46. Ministry of Home Affairs	3,51,77	—34	3,51,43
	47. Cabinet	37,24	..	37,24
	48. Zonal Councils . .	2,43	..	2,43
	54. Delhi	41,91	...	41,91
	55. Himachal Pradesh .	45,38	—66	44,72
	56. Andaman & Nicobar Islands	11,40	..	11,40
	57. Manipur	16,95	..	16,95
	58. Tripura	24,79	..	24,79
	59. Laccadive, Minicoy and Amindivi Islands . .	2,00	..	2,00
	61. Ministry of Information and Broadcasting . . .	14,32	..	14,32
	54. Ministry of Irrigation and Power	24,03	—66	23,37
	67. Ministry of Labour and Employment . .	25,37	..	25,37
	71. Ministry of Law . .	37,87	—60	37,27
	72. Elections . . .	28,45	..	28,45
	74. Ministry of Rehabilitation .	27,63	..	27,63
	76. Ministry of Scientific Research and Cultural Affairs	34,39	..	34,39
	83. Ministry of Steel, Mines and Fuel . . .	39,80	—5,79	34,01
	86. Ministry of Transport and Communications . .	69,95	—7,75	62,20

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure in the Budget
	97. Ministry of Works, Housing and Supply	64,94	..	64,94
	102. Department of Atomic Energy	16,43	..	16,43
	104. Department of Parliamentary Affairs	2,56	..	2,56
	105. Lok Sabha	99,56	..	99,56
	107. Rajya Sabha	38,69	—2	38,67
	108. Secretariat of the Vice-President	71	..	71
	Staff, Household and Allowances of the President	26,83	..	26,83
	Union Public Service Commission	46,71	..	46,71
	TOTAL—GENERAL ADMINISTRATION	19,92,44	—69,93	19,22,51
26. Audit	27. Audit	12,13,57	—3,60,07	8,53,50
27. Administration of Justice	17. Naga Hills—Tuensang Areas	9	..	9
	49. Administration of Justice	22,58	—3	22,55
	54. Delhi	20,56	..	20,56
	55. Himachal Pradesh	6,21	..	6,21
	56. Andaman and Nicobar Islands	3	..	3
	57. Manipur	2,13	..	2,13
	58. Tripura	2,77	..	2,77
	59. Laccadive, Minicoy and Amindivi Islands	1	..	1
	TOTAL—ADMINISTRATION OF JUSTICE	54,38	—3	54,35
28 Jails	17. Naga Hills—Tuensang Areas	1,35	..	1,35
	54. Delhi	9,75	—50	9,25
	55. Himachal Pradesh	2,52	..	2,52
	56. Andaman and Nicobar Islands	65	..	65
	57. Manipur	1,88	..	1,88
	58. Tripura	4,05	..	4,05
	59. Laccadive, Minicoy, etc.	1	..	1
	TOTAL—JAILS	20,21	—50	19,71
29 Police	16. Tribal Areas	6,84,72	—42,69	6,42,03
	17. Naga Hills—Tuensang Areas	1,29,55	..	1,29,55
	50. Police	7,09,85	—13,64	6,96,21
	54. Delhi	2,25,69	..	2,25,69
	55. Himachal Pradesh	66,46	..	66,46
	56. Andaman & Nicobar Islands	23,49	..	23,49
	57. Manipur	71.11	..	71,11
	58. Tripura	53,91	..	53,91
	59. Laccadive, Minicoy, etc.	61	..	61
	TOTAL—POLICE	19,65,39	—56,33	19,09,06

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
29-A External Affairs	18. External Affairs	11,00,95	—23,20	10,77,75
	TOTAL—ADMINISTRATIVE SERVICES	63,46,94	—5,10,06	58,36,88
Social and Developmental Services—				
30 Ports & Pilotage	56. Andaman & Nicobar Islands	57,52	—18,80	38,72
	59. Laccadive, Minicoy, etc.	5	..	5
	TOTAL	57,57	—18,80	38,77
30-A. Mercantile Marine.	89. Mercantile Marine	76,34	—1,19	75,15
31. Lighthouses and Lightships.	90. Lighthouses and Lightships	1,50,55	—69,90	80,65
36 Scientific Departments	42 Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture	4,80	—10	4,70
	55. Himachal Pradesh	13	..	13
	68. Chief Inspector of Mines	23,11	..	23,11
	77. Archaeology	1,32,60	..	1,32,60
	78. Survey of India	1,98,16	—66,75	1,31,41
	79. Botanical Survey	25,03	..	25,03
	80. Zoological Survey	16,66	—22	16,44
	81. Scientific Research and Cultural Affairs	12,11,51	—1,24	12,10,27
	84. Geological Survey	3,17,18	—29,10	2,88,08
	85. Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines & Fuel	84,64	..	84,64
	91. Meteorology	2,00,09	—11,69	1,88,40
	103. Atomic Energy Research	5,76,29	—21,69	5,54,60
	TOTAL—SCIENTIFIC DEPARTMENTS	27,90,20	—1,30,79	26,59,41
37. Education	14. Education	16,79,35	—27,53	16,51,82
	16. Tribal Areas	21,34	..	21,34
	17. Naga Hills—Tuensang Areas	53,14	..	53,14
	54. Delhi	3,90,08	—62	3,89,46
	55. Himachal Pradesh	34,19	..	34,19
	56. Andaman & Nicobar Islands	13,05	..	13,05
	57. Manipur	19,10	..	19,10
	58. Tripura	56,00	..	56,00
	59. Laccadive, Minicoy and Amindivi Islands	6,08	..	6,08
	81. Scientific Research and Cultural Affairs	7,94,78	—83,36	7,11,42
	TOTAL—EDUCATION	30,67,11	—1,11,51	29,55,60

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
38. Medical	16. Tribal Areas	39,05	..	39,05
	17. Naga Hills—Tuensang Areas	26,53	..	26,53
	44. Medical and Public Health	5,51,37	—43,59	5,07,78
	54. Delhi	90,66	..	90,66
	55. Himachal Pradesh	12,39	..	12,39
	56. Andaman & Nicobar Islands	11,65	..	11,65
	57. Manipur	5,91	..	5,91
	58. Tripura	15,78	..	15,78
	59. Laccadive, Minicoy and Amindivi Islands	2,25	..	2,25
	TOTAL—MEDICAL	7,55,59	—43,59	7,12,00
39. Public Health	16. Tribal Areas	3,25	—11	3,14
	17. Naga Hills—Tuensang Areas	7,05	—2,45	4,60
	44. Medical and Public Health	5,28,79	—7,26	5,21,53
	54. Delhi	5,15	—4,91	24
	55. Himachal Pradesh	28,50	—3,37	25,13
	56. Andaman & Nicobar Islands	3,44	—32	3,12
	57. Manipur	14,39	—5,33	9,06
	58. Tripura	3,38	—2,45	93
	59. Laccadive, Minicoy and Amindivi Islands	2,09	..	2,09
	TOTAL—PUBLIC HEALTH	5,96,04	—26,20	5,69,84
40. Agriculture	16. Tribal Areas	16,22	—63	15,59
	17. Naga Hills—Tuensang Areas	16,88	..	16,88
	39. Agriculture	4,29,85	—1,32,90	2,96,95
	40. Agricultural Research	6,25,63	—77,80	5,47,83
	54. Delhi	12,09	—2,00	10,09
	55. Himachal Pradesh	52,99	..	52,99
	56. Andaman & Nicobar Islands	13,33	..	13,33
	57. Manipur	9,96	..	9,96
	58. Tripura	33,47	—92	32,55
	59. Laccadive, Minicoy and Amindivi Islands	2,55	..	2,55
	TOTAL—AGRICULTURE	12,12,97	—2,14,25	9,98,72
40-A. Rural Development	42. Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture	1,17	—43	74
41. Animal Husbandry	17. Naga Hills—Tuensang Areas	5,33	..	5,33
	41. Animal Husbandry	1,08,46	—5,60	1,02,86
	54. Delhi	7,43	..	7,43
	55. Himachal Pradesh	18,55	..	18,55
	56. Andaman & Nicobar Islands	2,27		2,27
	57. Manipur	61	..	61
	59. Laccadive, Minicoy and Amindivi Islands	27	..	27
	TOTAL—Animal Husbandry	1,42,92	—5,60	1,37,32

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
42. Co-operation	7. Community Development Projects, National Extension Service and Co-operation	2,43,50	—2,75	2,40,75
	16. Tribal Areas	98	..	98
	17. Naga Hills—Tuensang Areas	64	..	64
	54. Delhi	7,33	—56	6,77
	55. Himachal Pradesh	11,61	—3,04	8,57
	56. Andaman & Nicobar Islands	47	—3	44
	57. Manipur	3,92	—1,10	2,82
	58. Tripura	4,52	—2,19	2,33
	59. Laccadive, Minicoy and Amindivi Islands	37	—27	10
	TOTAL—CO-OPERATION	2,73,34	—9,94	2,63,40
43. Industries and Supplies	2. Industries	19,74,62	—72,11	19,02,51
	3. Salt	47,68	—46	47,22
	16. Tribal Areas	4,92	..	4,92
	17. Naga Hills—Tuensang Areas	2,09	..	2,09
	54. Delhi	9,46	..	9,46
	55. Himachal Pradesh	27,85	..	27,85
	56. Andaman and Nicobar Islands	2,80	..	2,80
	57. Manipur	10,90	..	10,90
	58 Tripura	22,46	..	22,46
	59. Laccadive, Minicoy and Amindivi Islands	1,36	..	1,36
	85. Miscellaneous Departments and other expenditure under the Ministry of Steel, Mines and Fuel	35,91,88	—8,75,00	27,16,88
	92. Overseas Communication Service	1,84,85	—6,50	1,78,35
	96. Miscellaneous Department and Other Expenditure under the Ministry of Transport and Communications.	1,35,00	..	1,35,00
	98. Supplies	3,08,55	..	3,08,55
	TOTAL—INDUSTRIES AND SUPPLIES	63,24,42	—9,54,07	53,70,35
43-A. Capital Outlay on Industrial Development :— (Capital Account within the Revenue Account)	3. Salt	6,00	..	6,00
44. Aviation	55. Himachal Pradesh	6,58,94	—2,85,34	3,73,60
	93. Aviation	5	..	5
	TOTAL—AVIATION	6,58,99	—2,85,34	3,73,65
45. Broadcasting	62. Broadcasting	5,61,12	—89,10	4,72,02

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
46. Labour and Employment.	54. Delhi	49,85	..	49,85
	55. Himachal Pradesh	6,49	..	6,49
	56. Andamans and Nicobar Islands	6,89	—2,80	4,09
	57. Manipur	1,30	..	1,30
	58. Tripura	4,36	..	4,36
	69. Labour and Employment	5,80,53	—2,30,01	3,50,52
	TOTAL—LABOUR AND EMPLOYMENT	6,49,42	—2,32,81	4,16,61
47. Miscellaneous Departments.	4. Commercial Intelligence and Statistics	93,28	—9	93,19
	5. Miscellaneous Departments & Expenditure under the Ministry of Commerce and Industry	2,23,33	..	2,23,33
	15. Miscellaneous Departments and expenditure under the Ministry of Education	15,05	..	15,05
	16. Tribal Areas	2,30	..	2,30
	17. Naga Hills—Tuensang Areas	9,00	..	9,00
	32. Miscellaneous Departments and other expenditure under the Ministry of Finance	60,15	..	60,15
	42. Miscellaneous Departments and other expenditure under the Ministry of Food and Agriculture	1,11,44	—8,45	1,02,99
	45. Miscellaneous Departments and Expenditure under the Ministry of Health.	13,03	..	13,03
	51. Census	3,34,02	..	3,34,02
	52. Statistics	1,57,44	..	1,57,44
	54. Delhi	26,20	..	26,20
	55. Himachal Pradesh	7,56	..	7,56
	56. Andaman & Nicobar Islands	12,40	—4,34	8,06
	57. Manipur	93	..	93
	58. Tripura	8,17	..	8,17
	60 Miscellaneous Departments and expenditure under the Ministry of Home Affairs	15,62	—1,00	14,62
	63. Miscellaneous Departments and expenditure under the Ministry of Information and Broadcasting	3,79,51	—26,34	3,53,17
	66. Miscellaneous Departments and expenditure under the Ministry of Irrigation and Power	1,03,67	—27,49	76,18
	70. Miscellaneous Departments and expenditure under the Ministry of Labour and Employment	20	—15	5

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
47. Miscellaneous Departments—*concld.*	82. Miscellaneous Departments and expenditure under the Ministry of Scientific Research and Cultural Affairs	27,72	—16	27,56
	85. Miscellaneous Departments and other expenditure under the Ministry of Steel, Mines and Fuel	3,80,00	..	3,80,00
	96. Miscellaneous Departments and other Expenditure under the Ministry of Transport and Communications	84,04	..	84,04
	101. Miscellaneous Departments and expenditure under the Ministry of Works, Housing and Supply	23,30	..	23,30
	TOTAL—MISCELLANEOUS DEPARTMENTS	20,88,36	—68,20	20,20,34
47-A. Community Development Projects, National Extension Service and Local Developmental Works.	7. Community Development Projects, etc.	57,12	—2,72	54,40
	16. Tribal Areas	12,72	..	12,72
	17. Naga Hills—Tuensang Areas	17,20	..	17,20
	54. Delhi	4,83	—1	4,82
	55. Himachal	57,25	—4	57,21
	56. Andaman and Nicobar Islands	5,38	..	5,38
	57. Manipur	22,99	—1	22,98
	58. Tripura	21,38	—1	21,37
	TOTAL—COMMUNITY DEVELOPMENT, ETC	1,98,87	—2,79	1,96,08
	TOTAL—SOCIAL AND DEVELOPMENTAL SERVICES	1,96,10,98	—22,64,33	1,73,46,65
48. Currency	28. Currency	5,23,59	—17,68	5,05,91
49. Mint	29. Mint	6,90,82	—25	6,90,57
	16. Tribal Areas	38,87	..	38,87
50. Civil Works	94. Central Road Fund	4,36,40	—31,90	4,04,50
	95. Communications (including National Highways)	6,52,00	..	6,52,00
	99. Other Civil Works	33,51,25	—23,84,73	9,66,52
	TOTAL—CIVIL WORKS	44,78,52	—24,16,63	20,61,89

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
51-B. Other revenue expenditure connected with Multi-purpose River Schemes . . .	65. Multi-purpose River Schemes	1,63,49	—79,72	83,77
52 Interest on Capital outlay on Electricity Schemes.	55. Himachal Pradesh .	6,44	..	6,44
	56. Andaman and Nicobar Islands	78	..	78
	57. Manipur	2,09	..	2,09
	58. Tripura	1,65	..	1,65
	59. Laccadive, Minicoy, etc. .	5	..	5
	TOTAL—INTEREST, ETC. .	11,01	..	11,01
52-A. Other Revenue Expenditure connected with Electricity Schemes .	55. Himachal Pradesh . .	12,35	..	12,35
	56.—Andamans and Nicobar Islands	4,15	..	4,15
	66.—Miscellaneous Departments and Expenditure under the Ministry of Irrigation and Power	83,00	—83,00	..
	TOTAL—OTHER REVENUE EXPENDITURE . . .	99,50	—83,00	16,50
54. Famine . . .	54. Delhi	50	..	50
	56. Andaman and Nicobar Islands	5	..	5
	57. Manipur	1,00	..	1,00
	58. Tripura	1,25	..	1,25
	TOTAL—FAMINE .	2,80	..	2,80
54-A. Territorial and Political Pensions . .	30. Territorial and Political Pensions	23,58	..	23,58
54-B. Privy Purses and Allowances of Indian Rulers	53. Privy Purses and Allowances of Indian Rulers . .	5,44,78	..	5,44,78
55. Superannuation Allowances and Pensions.	31. Superannuation Allowances and Pensions . . .	4,90,02	—17,66	4,72,36
56. Stationery and Printing	54. Delhi . . .	1	..	1
	55. Himachal Pradesh . .	3,67	..	3,67
	56. Andaman & Nicobar Islands	1,65	..	1,65
	57. Manipur . . .	1,26	..	1,26
	58. Tripura . . .	1,40	..	1,40
	100. Stationery and Printing .	8,93,57	—5,24,17	3,69,40
	TOTAL—STATIONERY AND PRINTING .	9,01,56	—5,24,17	3,77,39

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
57. Miscellaneous . .	5. Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry.	12,53	..	12,53
	15. Miscellaneous Departments and other Expenditure under the Ministry of Education	2,78,88	..	2,78,88
	16. Tribal Areas	61	..	61
	17. Naga Hills—Tuensang Areas .	22,62	..	22,62
	19. State of Pondicherry . .	4,31,79	—30,14	4,01,65
	20. Miscellaneous Expenditure under the Ministry of External Affairs . .	3,27,12	—2,10	3,25,02
	32. Miscellaneous Departments and other Expenditure under the Ministry of Finance .	3,83,72	—10,50	3,73,22
	33. Planning Commission .	87,41	..	87,41
	42. Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture . .	10,56,29	..	10,56,29
	45. Miscellaneous Departments and Expenditure under the Ministry of Health . .	93,69	..	93,69
	54. Delhi	2,53,41	—2,80	2,50,61
	55. Himachal Pradesh . .	2,94,96	..	2,94,96
	56. Andaman & Nicobar Islands	6,33	..	6,33
	57. Manipur	1,71,50	—3	1,71,47
	58. Tripura	2,95,52	—4	2,95,48
	59. Laccadive, Minicoy and Amindivi Islands . .	6,17	..	6,17
	60. Miscellaneous Departments and Expenditure under the Ministry of Home Affairs .	54,08	—5,68	48,40
	63. Miscellanoeus Departments and Expenditure under the Ministry of Information and Broadcasting . . .	21,97	..	21,97
	66. Miscellaneous Departments and Expenditure under the Ministry of Irrigation and Power	7,32	..	7,32
	70. Miscellaneous Departments and Expenditure under the Ministry of Labour and Employment . .	85	..	85
	73. Miscellaneous Expenditure under the Ministry of Law.	1,39	..	1,39
	75. Expenditure on displaced persons and Minorities .	11,27,79	..	11,27,79
	82. Miscellaneous Departments and Expenditure under the Ministry of Scientific Research and Cultural Affairs .	28,10	..	28,10

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
57. Miscellaneous—*concld*	85. Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel	1,13	..	1,13
	56. Miscellaneous Departments and Expenditure under the Ministry of Transport and Communications	58,32	—25	58,07
	101. Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply	43,15	—1,32	41,83
	103. Atomic Energy Research	9,31	..	9,31
	106. Miscellaneous Expenditure under the Lok Sabha	42	..	42
	TOTAL—MISCELLANEOUS	50,76,38	—52,86	50,23,52
58. Defence Services, Effective—Army.	9. Defence Services, Effective—Army	2,08,41,62	—5,90,67	2,02,50,95
59. Defence Services, Effective—Navy.	10. Defence Services, Effective—Navy	20,05,15	—3,70	20,01,45
60. Defence Services, Effective—Air Force.	11. Defence Services, Effective—Air Force	62,93,98	..	62,93,98
60-A. Defence Services, Non-Effective.	12. Defence Services, Non-Effective Charges	18,60,00	..	18,60,00
61. Grants-in-aid to States	34. Grants-in-aid to States	2,20,64,30	—12,55,94	2,08,08,36
62. Miscellaneous Adjustments between the Union and State Governments.	35. Miscellaneous Adjustments between the Union and State Governments	22,33	..	22,33
62-A. Payments of States' share of Union Excise Duties.	Payments of States' share of Union Excise Duties	76,33,15	..	76,33,15
62-B. Other Miscellaneous Contributions and Assignments.	54. Delhi	2,43,00	..	2,43,00
	55. Himachal Pradesh	7,30	..	7,30
	57. Manipur	6,96	..	6,96
	58. Tripura	4,59	..	4,59
	TOTAL—OTHER MISCELLANEOUS CONTRIBUTIONS, ETC	2,61,85	..	2,61,85
63. Extraordinary Payments	32. Miscellaneous Departments and other Expenditure under the Ministry of Finance	10,00,00	..	10,00,00
	66. Miscellaneous Departments and other Expenditure under the Ministry of Irrigation and Power	55,16	..	55,16
	TOTAL—EXTRAORDINARY PAYMENTS	10,55,16	..	10,55,16

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
64-C. Pre-partition Payments.	36. Pre-partition Payments .	31,53	..	31,53
	TOTAL	12,73,49,81	—2,17,26,22	10,56,23,59
Add—Railway Expenditure as per Railway Budget.		1,10,26,85	..	1,10,26,85
	TOTAL—EXPENDITURE MET FROM REVENUE	13,83,76,66	—2,17,26,22	11,66,50,44
Posts and Telegraphs— XIX. Posts and Telegraphs *Deduct*—Working Expenses.	84. Indian Posts and Telegraphs Department . . .	74,93,28	—5,50,05	69,43,23
Civil Works and Miscellaneous Public Improvements—				
pts from Electricity Schemes—*Deduct*—Working Expenses.	55. Himachal Pradesh . .	8,08	..	8,08
	57. Manipur	5,63	..	5,63
	58. Tripura	7,11	..	7,11
	TOTAL—RECEIPTS FROM ELECTRICITY SCHEMES	20,82	..	20,82
Miscellaneous— XLVI.-A. Receipts from Road and Water Transport Schemes—*Deduct*—Working Expenses	55. Himachal Pradesh .	77,67	—6,40	71,27
	57. Manipur . .	12,70	..	12,70
	59. Laccadive, Minicoy and Amindivi Islands .	2,67	..	2,67
	TOTAL—RECEIPTS FROM ROAD AND WATER TRANSPORT SCHEMES	93,04	—6,40	86,64
	TOTAL .	76,07,14	—5,56,45	70,50,69
	GRAND TOTAL .	14,59,83,80	—2,22,82,67	12,37,01,13
	Deduct—Railway Expenditure	1,10,26,85	..	1,10,26,85
TOTAL—EXPENDITURE MET FROM REVENUE AS SHOWN IN DEMANDS FOR GRANTS		13,49,56,95	—2,22,82,67	11,26,74,28
II. Capital Account not met from Revenue—				
65-A. Capital Outlay on Forests.	121. Capital Outlay on Forests .	5,80	..	5,80
66. Capital Outlay on the Security Printing Press.	114. Capital Outlay on the India Security Press . . .	32,58	..	32,58
68-A. Construction of Irrigaiton, Navigation, Embankment and Drainage Works. (Non-Commercial.)	128. Other Capital Outlay of the Ministry of Irrigation and Power	36,80	..	36,80

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
69. Capital Outlay on Posts and Telegraphs.	133. Capital Outlay on Posts and Telegraphs .	20,39,28	—7,80,49	12,58,79
70. Capital Outlay on Improvement of Public Health.	124. Capital Outlay of the Ministry of Health . .	56,00	..	56,00
71. Capital Outlay on Schemes of Agricultural Improvement and Research.	110. Capital Outlay of the Ministry of Community Development and Co-operation. . . .	4,57,20	..	4,57,20
	123. Other Capital Outlay of the Ministry of Food and Agriculture . . .	3,21,83	—6,59	3,15,24
	TOTAL	7,79,03	—6,59	7,72,44
72. Capital Outlay on Industrial Development.	109. Capital Outlay of the Ministry of Commerce and Industry	26,60,42	—1,20,00	25,40,42
	118. Other Capital Outlay of the Ministry of Finance .	56,00	..	56,00
	131. Capital Outlay of the Ministry of Scientific Research and Cultural Affairs	3,16,25	..	3,16,25
	132. Capital Outlay of the Ministry of Steel, Mines and Fuel	63,45,14	—1,81,80	61,63,34
	137. Capital Outlay of the Ministry of Transport and Communications .	11,19,69	—14,37	11,05,32
	140. Other Capital Outlay of the Ministry of Works, Housing & Supply . .	10,01	..	10,01
	141. Capital Outlay of the Department of Atomic Energy	5,24,10	..	5,24,10
	TOTAL—CAPITAL OUTLAY ON INDUSTRIAL DEVELOPMENT.	1,10,31,61	—3,16,17	1,07,15,44
72-A. Capital Outlay on Civil Aviation.	134. Capital Outlay on Civil Aviation . . .	4,36,41	..	4,36,41
72-B. Capital Outlay on Broadcasting.	126. Capital Outlay of the Ministry of Information and Broadcasting . .	4,93,98	—1,63,98	3,30,00
73. Capital Outlay on Ports.	135. Capital Outlay on Ports .	2,88,50	—51,00	2,37,50
77. Currency Capital Accounts outside the Revenue Account.	115. Capital Outlay on Currency and Coinage. .	10,27,91	—2,45,84	7,82,07
77-A. Capital Outlay on Mints.	116. Capital Outlay on Mints.	6,91	..	6,91
78. Delhi Capital outlay	138. Delhi Capital Outlay	12,30,00	..	12,30,00

ANNEXURE XIII

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
80-A. Capital Outlay on Multi-purpose River Schemes.	127. Capital Outlay on Multi-purpose River Schemes .	3,34,75	..	3,34,75
81. Capital Outlay on Civil Works.	136. Capital Outlay on Roads	32,17,09	..	32,17,09
	139. Capital Outlay on Buildings	9,70,00	—2,00,00	7,70,00
	TOTAL—CAPITAL OUTLAY ON CIVIL WORKS	41,87,09	—2,00,00	39,87,09
81-A. Capital Outlay on Electricity Schemes.	128. Other Capital Outlay of the Ministry of Irrigation and Power . . .	2,68,87	—1,74,40	94,47
82. Capital Account of other Works outside the Revenue Account.	123. Other Capital Outlay of the Ministry of Food & Agriculture. . . .	5,00,00	—5	4,99,95
	125. Capital Outlay of the Ministry of Home Affairs	120	..	120
	TOTAL. .	5,01,20	—5	5,01,15
82-B. Capital Outlay on Road and Water Transport Schemes.	137. Other Capital Outlay of the Ministry of Transport and Communications . .	40,43	..	40,43
82-C. Capital Outlay on Shipping Tankers, etc.	125. Capital Outlay of the Ministry of Home Affairs	65,01	..	65,01
	137. Other Capital Outlay of the Ministry of Transport and Communications . .	1,10,00	..	1,10,00
	TOTAL .	1,75,01	..	1,75,01
82-D. Dandakaranya Development Scheme	130. Capital Outlay of they Ministry of Rehabilitation	6,40,00	—1,00,00	5,40,00
83. Payments of Commuted Value of Pensions.	117. Commuted Value of Pensions	1,50,00	—92,22	57,78
83-A. Capital Outlay on Sterling Pensions.	Capital Outlay on Sterling Pensions . . .	..	—3,66,20	—3,66,20
85-A. Capital Outlay on Schemes of Government Trading.	109. Capital Outlay of the Ministry of Commerce and Industry . . .	6,08	—2,07	4,01
	110. Capital Outlay of the Ministry of Community Development and Co-operation	68,70	—68,70	..
	112. Capital Outlay of the Ministry of Education .	18,10	—18,10	..
	113. Capital Outlay of the Ministry of External Affairs	88,32	—1,00,00	—11,68
	119. Other Capital Outlay of the Ministry of Finance .	10,90,46	—10,90,46	..

(In thousand of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.* amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
Capital Outlay on Schemes of Government Trading—*concld.*	122. Purchase of Foodgrains	2,15,33,38	—1,79,70,00	35,63,38
	123. Other Capital Outlay of the Ministry of Food and Agriculture . . .	45,17,72	—54,06,25	—8,88,53
	124. Capital Outlay of the Ministry of Health . . .	12,08,53	—11,90,30	18,23
	125. Capital Outlay of the Ministry of Home Affairs . .	26,11	—26,04	7
	126. Capital Outlay of the Ministry of Information and Broadcasting . .	2	—2	..
	128. Other Capital Outlay of the Ministry of Irrigation and Power	61,04	—61,04	..
	129. Capital Outlay of the Ministry of Labour and Employment	7,88	—7,88	..
	131. Capital Outlay of the Ministry of Scientific Research and Cultural Affairs	84,52	—84,52	..
	132. Capital Outlay of the Ministry of Steel, Mines and Fuel	11,07,85	—10,89,01	18,84
	137. Other Capital Outlay of the Ministry of Transport and Communications . . .	72,57	—72,57	..
	140. Other Capital Outlay of the Ministry of Works, Housing and Supply . . .	2,33	—34	1,99
	141. Capital Outlay of the Department of Atomic Energy . . .	21,89	—21,89	..
TOTAL—CAPITAL OUTLAY ON SCHEMES OF GOVERNMENT TRADING . . .		2,99,15,50	—2,72,09,19	27,06,31
85-D. Capital Outlay on payments to Displaced Persons.	130. Capital Outlay of the Ministry of Rehabilitation	10,50,00	—9,00,25	1,49,75
	110. Capital Outlay of the Ministry of Community Development of Co-operation .	15,24	..	15,24
85-E. Transfer of Development Assistance from the Govt. of U.S.A.	119. Other Capital Outlay of the Ministry of Finance . . .	70,00,00	..	70,00,00
	123. Other Capital Outlay of the Ministry of Food and Agriculture	10	..	10
	128. Capital Outlay of the Ministry Irrigation and Power	35,00	..	35,00
	132. Capital Outlay of the Ministry of Steel, Mines and Fuel . . .	4,20,00	..	4,20,00
	TOTAL—TRANSFER OF DEVELOPMENT ASSISTANCE ETC.	74,70,34	..	74,70,34

(In thousand of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.* amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
86. Defence Capital Outlay	111. Defence Capital Outlay .	33,00,60	—1,00,00	32,00,60
87.—Payments under Indus Waters Treaty.	128. Other Capital Outlay of the Ministry of Irrigation and Power	8,27,47	—55,16	7,72,31
88. Grants for Development.	119. Capital Outlay on grants to States for Development	17,16,00	—6,10,55	11,05,45
	140. Other Capital Outlay of the Ministry of Works, Housing and Supply .	2,24,62	—7,69	2,16,93
	TOTAL—GRANTS FOR DEVELOPMENT .	19,40,62	—6,18,24	13,22,38
	TOTAL—CAPITAL ACCOUNT NOT MET FROM REVENUE .	6,82,66,69	—3,13,79,78	3,41,86,91
Add—Railway Capital as shown in Railway Budget . .		1,60,00,00	..	1,60,00,00
	TOTAL—CAPITAL .	8,42,66,69	-3,13,79,78	5,28,86,91

Statement of Capital Disbursements of the Central Government.

O. Loans and Advances by the Central Government.				
Advances to State Governments	3,95,17,54	117. Loans and Advances by the Central Government.	5,79,81,94	—23,39,11	5,56,42,83
Other Loans and Advances	1,61,25,29				
	5,56,42,83				
Public Debt					
A. Debt raised in India —					
I. Rupee Debt .	1,37,50,00	Repayment of Debt	52,20,00,78	..	52,20,00,78
II. Floating Debt .	50,53,83,86				
B. Sterling Debt . .	2,01,48				
C. Other Debt . .	24,86,29				
D. Inter-State Settlement	1,79,15				
	62,20,00,78				

ANNEXURE XIV

Statement showing the distribution of Civil and Posts and Telegraphs Expenditure met from revenue under broad categories

(In lakhs of Rs.)

	Accounts, 1959-60	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
PART I—CIVIL				
1. SALARIES AND ALLOWANCES (*VIDE* DETAILS BELOW)	86,56	94,04	97,26	1,06,03
2. CONTINGENCIES	35,46	39,75	39,34	40,04
3. INTEREST CHARGES . .	1,75,07	1,96,80	1,94,10	2,18,62
4. PENSION INCLUDING PRIVY PURSES	10,06	10,29	10,52	10,58
5. GRANTS-IN-AID AND CONTRIBUTIONS				
(*a*) TO STATE GOVERNMENTS	1,62,63	2,26,64	2,19,13	2,14,54
(*b*) TO OTHERS	40,93	62,13	62,39	68,39
6. STATES' SHARE OF UNION EXCISE DUTIES	74,70	74,52	75,10	76,33
7. CIVIL WORKS INCLUDING ROADS	40,86	40,11	45,32	44,40
8. EXPENDITURE ON DISPLACED PERSONS OTHER THAN GRANTS TO STATES	16,03	13,19	13,31	11,28
9. OTHER EXPENDITURE . . .	1,31,24	1,44,90	1,39,87	1,62,85
TOTAL	7,73,54	9,02,37	8,96,34	9,53,06
DETAILS OF SALARY AND ALLOWANCES				
(*i*) PAY OF OFFICERS	16,03	17,46	19,51	20,70
(*ii*) PAY OF ESTABLISHMENT . .	35,67	39,02	50,93	55,60
(*iii*) ALLOWANCES AND HONORARIA				
(*a*) TRAVELLING ALLOWANCE	7,20	6,71	6,27	6,75
(*b*) DEARNESS ALLOWANCE	19,04	22,19	12,39	13,94
(*c*) OTHER ALLOWANCES	7,62	8,66	8,16	9,04
TOTAL ALLOWANCES	34,86	37,56	26,82	29,73
TOTAL—SALARY AND ALLOWANCES	86,56	94,04	97,26	1,06,03

PART II—POSTS AND TELEGRAPHS

	Accounts, 1959-60	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
1. SALARIES AND ALLOWANCES (*VIDE* DETAILS BELOW)	40,35	46,70	45,36	48,39
2. CONTINGENCIES	4,07	4,20	4,82	4,85
3. INTEREST CHARGES	3,51	..	..	..
4. PENSIONS INCLUDING PRIVY PURSES	2,65	2,78	2,75	2,84
5. GRANTS-IN-AID AND CONTRIBUTIONS TO OTHERS	2	1	7	7
6. OTHER EXPENDITURE	19,85	26,78	29,35	30,35
TOTAL	70,45	80,47	82,35	86,50

DETAILS OF SALARY AND ALLOWANCES

(*i*) PAY OF OFFICERS	1,04	1,35	1,22	1,31
(*ii*) PAY OF ESTABLISHMENTS	18,89	23,88	32,52	34,48
(*iii*) ALLOWANCES AND HONORARIA				
(*a*) TRAVELLING ALLOWANCE	56	55	57	59
(*b*) DEARNESS ALLOWANCE	14,87	15,73	5,58	5,65
(*c*) OTHER ALLOWANCES	4,99	5,19	5,47	6,36
TOTAL—ALLOWANCES	20,42	21,47	11,62	12,60
TOTAL—SALARY AND ALLOWANCES	40,35	46,70	45,36	48,39

NOTE.—Dearness and other allowances of staff paid from Contingencies are included under Contingencies.

ANNEXURE XV

Special Development Fund and other Foreign Assistance

The Special Development Fund was started in October, 1951, from the sale proceeds of American Loan Wheat and wheat obtained from Commonwealth countries under the Colombo Plan. Later on, other assistance under the Colombo Plan; the assistance received under the Indo-U.S. Technical Co-operation Agreements; the assistance from Norway for the development of fisheries community; sale proceeds of American Loan Commodities and Assistance under U. S. Public Law 480 were also brought into the Fund. The statement below gives the details of the transactions of the Fund.

(In lakhs of Rupees)

Sub-Major Heads	*Opening Balance as on 1-4-59	*Actuals, 1959-60		Revised, 1960-61		Budget, 1961-62		Closing Balance as on 31-3-62
1	2	Cr 3	Dr. 4	Cr. 5	Dr. 6	Cr. 7	Dr. 8	9
1. Fund from the sale proceeds of American Loan Wheat	6,66	8,97	7,59	12,92	20,48	13,41	13,41	48
2. Fund from the sale proceeds of wheat received under the Colombo Plan	7,94	5,41	48	3,63	..	..	..	16,50
3. Fund from other assistance under the Colombo Plan	17,97	20,85	13,48	8,93	1,86	7,81	82	39,40
4. Fund from assistance under the Indo-U.S. Technical Co-operation Agreement Programme	40,81	11,44	10,10	10,09	9,04	13,87	9,15	47,92
5. Fund from assistance from Norway for Fisheries Community Development	..	43	43	35	35	35	35	..
6. Fund from the sale proceeds of American Loan commodities	20,25	8,98	51	16,38	..	4,70	..	49,80
7 Fund from assistance under Public Law 480	..	23,05	..	65,00	15,01	80,00	9,10	1,43,94
TOTAL	93,63	79,13	32,59	1,17,30	46,74	1,20,14	32,83	2,98,04

*As the accounts have not yet been closed finally, the figures given in columns 2, 3 and 4 are provisional

Fund from the sale proceeds of American Loan Wheat.

The net cash realised by the sale of American Loan wheat was credited to this head. The transactions represent payment of loans to the State Governments out of this Fund for development schemes approved in the Plan and repayments thereof.

Fund from the sale proceeds of wheat received under the Colombo Plan.

Net sale proceeds of gift wheat received under the Colombo Plan from Canada and Australia are credited to this head. The fund was utilised for grant of loans to West Bengal and Mysore for the Mayurakshi and Tungabhadra Projects respectively, and also for construction of grain storage godowns at Calcutta. Further gift of Rs. 3·63 crores worth of wheat is expected during the current year.

Fund from other assistance under the Colombo Plan.

The assistance received from Commonwealth countries under the Colombo Plan in the form of equipment, materials, etc. other than wheat is accounted for under this head. Provision has been made next year for receipt of raw materials for industry, wooden railway sleepers, diesel switching locomotives, equipments for dairy research, Rural Electrification Schemes and Fertilizers. Provision has also been made for receipt of cash grant from New Zealand for dairy development schemes.

Material and equipment received are either utilised on Central Government projects or are given to State Governments as loans and grants. In certain cases these are sold and the cash realised is utilised for financing the development plans.

The table below indicates the country-wise details of the assistance expected to be received during the current and the next year:—

(In lakhs of rupees).

Name of Country	Nature of assistance	Estimate of aid		
		B.E. 60-61	R.E. 60-61	B.E. 61-62
Australia. . . .	Diesel Rail-cars . . .	..	1	..
	Equipment for All India Radio.	2	2	..
	Fertilizers	..	51	40
	Wheat	..	30	..
	Milk Schemes . . .	..	..	11
	Total	2	84	51
Canada . . .	Wheat	..	3,33	..
	Raw materials for Industry .	509	6,23	5,07
	Fertilizers	182	131	..
	Wooden Railway Sleepers .	..	..	76
	Cobalt Beam Therapy Units .	10	10	6
	Diesel Switching Locomotives .	..	..	63
	Milk Schemes . . .	32	7	...
	Medical Books . . .	..	..	5
	Atomic Reactors . . .	2	8	..
	Rural Electrification . .	1,00	18	24
	Radio Teletype equipment .	..	..	7
	Total	8,35	11,30	6,88
New Zealand . . .	Dairy Research and other Milk Schemes	36	35	21
U.K.	Equipment for I.I.T. Kharagpur	2	..	2
	Equipment for Tractor Testing	1	..	1
	College of Engineering and Technology, Delhi. . .	..	2	16
	Delhi Polytechnic . . .	..	..	1
	C.S.I.R..	2	4	1
	Total	5	6	21
Other Miscellaneous Items		3	1	..
	Total	8,81	12,56	7,81

Fund from assistance under the Indo-U.S. Technical Co-operation Agreement Programme.

The estimated cost of the materials and equipments received under the various Agreements with the Technical Co-operation Mission are credited to this head by debit to the head '85-A—Capital Outlay on Schemes of Government Trading'. As soon as the materials and equipments are made over to the State Governments, either as loans or as grants-in-aid, the capital head is relieved by *per contra* debit to the final head, which is simultaneously cleared by debit to the Fund. Similarly in the case of schemes run by the Central Government the debit for the equipment etc. is adjusted against the head concerned by *per contra* credit to the head '85-A', the debit being simultaneously cleared by recovery from the Fund. The repayment of loans by the States is credited direct to the Fund for subsequent utilisation on agreed development schemes. Provision has been made next year for the receipt of materials and equipment for the Malaria Eradication Programme, and dairy development schemes, etc.

Fund from assistance from Norway for Fisheries Community Development.

This head records the assistance received from the Government of Norway for fisheries community development in Kerala. The project is managed by the State Government and the equipment received from Norway is given to that Government as grant-in-aid.

Fund from the sale proceeds of American Loan Commodities.

The agreements entered into with the Government of U.S.A. through the Technical Co-operation Mission in March 1955, July 1956 and June 1957 provide for the supply of certain commodities like wheat, cotton, fertilizers, iron and steel, equipments for rural electrification, storage godowns, tube-well casing, equipment for malaria control, etc.

The surplus agricultural commodities, *viz.*, wheat and cotton are paid for initially in rupees in India to the representatives of the U.S.A. Government and agreed sums are later paid back by the U.S.A. Government, partly as loan and partly as grant to the Government of India. The loan received from the U.S.A. Government is taken to the head "N-Public Debt—Other Debt" and grant is credited to Revenue. In both cases equivalent amounts are credited to this Fund by *per contra* debit to the head "85-E" in the case of loans and to "63-Extraordinary charges" th the case of grants. The balance in the Fund is utilised on agreed projects.

In the case of other commodities the invoice value of the equipment received on loan account is debited to the head "85-A-Capital Outlay on Schemes of Government Trading" by *per contra* credit to "N—Public Debt". As and when the equipment are utilised on central projects or transferred to State Governments as loan or grant, as the case may be, the invoice price is credited to this head by *per contra* debit to "85-E—Transfer of Development Assistance from the Government of U.S.A." The estimates include provision for transfer of Rs. 16·38 crores during the current year and Rs. 4·70 crores next year.

Fund from assistance under Public Law 480.

The first Agricultural Commodities Agreement between the Governments of the U.S.A. and India under the Agricultural Trade Development and Assistance Act (Public Law 480) was signed in August 1956. Four

subsequent agreements were signed in June, 1958, September, 1958, November, 1959 and May, 1960 respectively. Under these agreements certain surplus agricultural commodities like wheat, rice, maize milo, cotton, tobacco, and dairy products are imported from U.S.A. and the rupee equivalent of the cost is paid to the U.S. Government in India. A part of this is later made available to the Government of India partly as loan and partly as grant for being utilised upon agreed projects or schemes. Current Budget assumed a credit of Rs. 80 crores—Rs. 70 crores as loan and the balance as grant. Receipts during the current year are now estimated at Rs. 65 crores of which Rs. 60 crores are loans and the balance represents grant. A sum of Rs. 80 crores is expected to be received next year from the Government of U.S.A. on this account. Of this Rs. 10 crores will be treated as grant and the balance as loan. These receipts will also be transferred to the Special Development Fund as in the case of Surplus Agricultural Commodities mentioned above and necessary provision has been made in the Budget accordingly.

Some of the projects which are being financed under this programme are Refinance Corporation, Industrial Finance Corporation, Industrial Credit and Investment Corporation and Indian Investment Centre.

Provision has been made in the Budget for the payment of grant of Rs. 1·25 lakhs this year and Rs. 10 lakhs next year to the Indian Investment Centre out of P.L. 480 assistance. The assistance to the other organisations mentioned above will be in the form of loans.

OTHER ASSISTANCE

In addition, foreign assistance is also received from international philanthropic organisations like the Rockfeller Foundation and the Ford Foundation for schemes in the field of education, public health, agriculture, social uplift, etc. These transactions are not passed through the Special Development Fund. During the current year a sum of Rs. 3 crores is expected to be received from the Ford Foundation. Next Budget provides for a further assistance of Rs. 3·5 crores from this source.

Assistance is also received from certain specialised agencies of the United Nations Organisation such as United Nations Technical Assistance Administration, United Nations International Children's Emergency Fund, Food and Agricultural Organisation, etc. Some materials and equipment are also received as gift from U.S.S.R. and West Germany.

Total assistance from the various countries by way of loans and grants was estimated at Rs. 362·44 crores in the current year's budget estimates. This is now expected to be Rs. 311·65 crores during the current year and Rs. 421·48 crores during the next year. Of this, Rs. 31·01 crores this year and Rs. 35·53 crores next year are estimated to be received as grants and the balance of Rs. 280·64 crores this year and Rs. 385·95 crores next year as loan.

ANNEXURE XVI

FOREIGN LOANS

A brief description of the loans from friendly foreign Governments and other institutions is given below. Two statements, one showing the amount of loans authorised and the amounts drawn against them and the other, showing the repayments in respect of each loan have been added at the end of this Annexure. Estimates of repayment of loans and outstanding balances are shown in Section II.

I. *LOANS FROM THE UNITED KINGDOM*:

(a) *Credits for the Durgapur Steel Plant*:

(i) *U.K. Government Credits.*—An agreement was signed on 30th June, 1958 with the U.K. Export Credit Guarantee Department for a credit of £ 15 million (Rs. 20 crores) for payment to the suppliers of equipment for the Durgapur Steel Plant. The rate of interest is that for similar loans for comparable period from the U.K. Consolidated Fund plus one-eighth of 1 per cent. for administration charges. The loan is to be repaid in four equal and consecutive annual instalments of £ 3·75 million each, the first instalment being repayable on the 1st July, 1966. This credit was fully drawn by March, 1959, and carries interest ranging between 5⅜ *per cent* and 5 6/8 *per cent* (including administration charges).

(ii) *Loan from M/s. Lazard Brothers & Co. Ltd.*—An agreement was entered into on 5th January, 1957 with Messrs. Lazard Brothers & Co. Limited, a syndicate of private British banks for a credit of £ 11·5 million (Rs. 15·33 crores) for financing the sterling portion of the expenditure on Durgapur Steel Plant. The credit carries an interest of 1 per cent. above the U.K. Bank rate with a minimum of 4½ per cent. per annum and is repayable in 5 semi-annual instalments beginning on 1st January, 1962. The entire credit has been drawn by July, 1960. A provision of Rs. 2 crores has been made in the next year's budget for the repayment of the first instalment of the loan.

(b) *Second E.C.G.D. Credit*:

An agreement was signed on 20th December, 1958 with the U. K. Export Credit Guarantee Department for a credit of £ 28·5 million (Rs. 38 crores) for financing payments made after 1st September, 1958 for agreed categories of imports from U.K. for projects in the public as well as private sectors. The credit is in two parts. The first part of £ 9·5 million is repayable in ten equal and consecutive half yearly instalments commencing on 1st July, 1964. The second part of £ 19 million is repayable in thirty half-yearly instalments commencing on 1st July, 1964 and comprising 29 instalments of £ 634,000 each and the last instalment of £ 614,000 on 1st July, 1979. The entire loan of £ 28·5 million carries interest at rates currently applied by the U.K. Treasury on the date of drawal to a loan for a comparable period out of U.K. Consolidated Fund plus one-fourth of 1 per cent per annum for administration charges. The interest is payable half-yearly on 1st January and 1st July. The entire credit was drawn by October, 1959.

(c) *Oil Pipe Line Credit*:

An agreement was signed with the U.K. Export Credit Guarantee Department on 23rd June, 1959 for a credit of £ 3 million (Rs. 4 crores). The credit is available for making payments due in sterling under contracts made by Oil India (Private) Limited in respect of the supply of

pipe and anciliary equipment for construction of oil pipe line for the Nahorkatiya oil fields project. The loan carries interest at the rate currently applied by the U.K. Treasury on the date of drawal to a loan for a comparable period out of the U.K. Consolidated Fund plus one-fourth of 1 per cent. per annum and is repayable in six semi-annual instalments commencing on 30th June, 1964. Anticipated receipts during the current year and next year against this credit are Rs. 1·44 crores and Rs. 27 lakhs respectively. The actual rate of interest varies between 4⅜% and 6¼% per annum.

(d) *U.K.-India (General) Credit, 1959:*

An agreement was signed on 25th November, 1959 with the Export Credit Guarantee Department of the Government of U.K. for a credit of £ 19 million (Rs. 25·33 crores) available upto 30th June, 1960 to finance payments made after 16th March, 1959 for agreed categories of imports from the U.K. One-third of the total amount is repayable in ten equal and consecutive half-yearly instalments commencing from 31st May, 1965 and the remaining two-thirds in thirty half-yearly instalments commencing on 31st May, 1965 and comprising twenty-nine instalments of £ 423,000 each and the last instalment of £ 433,000. The loan carries interest at the rate currently applied by the U.K. Treasury at the time of drawals under the credit to a loan for a comparable period out of the U.K. Consolidated Fund plus one-fourth of 1 per cent. per annum towards administration charges. The entire credit was drawn by June, 1960 and carries interest varying between 5⅛% and 6⅛% per annum.

(e) *U.K.-India (General) Credit Agreement, 1960:*

An Agreement for a credit of £ 10 million (Rs. 13·33 crores) was signed on 16th August, 1960 with the U.K. Export Credit Guarantee Department to finance payments for agreed categories of imports from the United Kingdom. The credit is in two parts. The first part of £ 3·3 million is repayable in ten equal and consecutive half-yearly instalments commencing on 31st May, 1966 and the second payable in thirty consecutive half-yearly instalments commencing on 31st May, 1966 comprising twenty-nine instalments of £ 223,000 each and the last instalment of £ 233,000. The loan carries interest at the rate currently applied by the U.K. Treasury on the date of drawal to a loan for a comparable period out of the U.K. Consolidated Fund plus ¼ of 1% per annum for administrative expenses. The entire credit was drawn by November, 1960.

(f) *Second U.K.-India (General) Credit Agreement, 1960:*

An Agreement was signed on the 23rd December, 1960 with the Export Credit Guarantee Department of the Government of U.K. for a loan of £ 5 million (Rs. 6·67 crores) to finance a broad range of imports from the United Kingdom. The loan is for a period of twenty years; the first instalment of repayment falling due on November 30, 1966. The loan carries interest at the rate currently applied by the U.K. Treasury on the date of drawal to a loan for a comparable period out of the U.K. Consolidated Fund plus ¼ of 1% per annum as administrative expenses. The entire amount of the credit is expected to be drawn during the current financial year.

II. *LOANS FROM INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT:*

The I.B.R.D. has been granting loans for various development projects in India since 1949. The total amount of loans sanctioned upto February,

1961 is Rs. 323·38 crores. Out of this, Rs. 105·36 crores are for the private sector and Rs. 218·02 crores for the public sector. Of the latter, Rs. 194·87 crores are for the Central Government Projects. These comprise five separate loans for the Railways aggregating Rs. 156·10 crores, three loans for the D.V.C. totalling Rs. 23·44 crores and one of Rs. 11·90 crores for the Koyna Project in Bombay as set out in the Statement of Foreign Loans. The Agricultural Machinery Project loan of Rs. 3·43 crores has since been completely repaid. A major portion of the first loan for the Railways has also been repaid. The rate of interest for these loans varies from 4 to 6 per cent. per annum. Anticipated receipts against the various loans during the current year and the next year have been taken at Rs. 42·80 crores and Rs. 17·59 crores respectively. Provision has also been made for repayment to the Bank of Rs. 1·83 crores and Rs. 5·07 crores respectively during the current and the next year in respect of the various loans.

III. *LOANS FROM THE UNITED STATES OF AMERICA*:

(a) *American Wheat Loan*:

A loan of $ 190 million was granted by the United States Government in June, 1951 for the purchase of wheat. The loan carries interest at 2½ per cent. per annum and is repayable in 60 semi-annual instalments beginning from June 30, 1957. The Government of the U.S.A., however, agreed to the postponement of repayment of principal and payment of interest due from 31st December, 1958 to June 30, 1967. These deferred payments would be resumed at the end of the present repayment schedule with the result that the terminal date of repayment will be postponed from 30th June, 1986 to 30th June, 1995. No interest will be charged on the amounts of principal and interest deferred.

(b) *Development Assistance Loans*:

Under the agreements signed with the Government of the United States of America in 1955, 1956 and 1957 loan assistance of $ 45 million (Rs. 21·43 crores), $ 37·5 million (Rs. 17·86 crores) and $ 47·5 million (Rs. 22·62 crores) respectively has been made available to the Government of India for purchase of material and equipment like Railway rolling stock, steel, fertilizers, tubewell casings etc., and surplus agricultural commodities like wheat and cotton. In respect of supplies of agricultural commodities, payments are made in Rupees into the United States Government Title Account in India, out of which loans are advanced by the Government of U.S.A. to Government of India. These loans are repayable in 73 half-yearly instalments beginning four years after the end of the month in which the first disbursement is made against each loan, except in the case of 1955 loan where the first instalment of repayment fell due on 31st March, 1959. The rate of interest is 3 per cent., if paid in U.S. Dollars and 4 per cent., if paid in Indian currency. The Government of India have chosen the second alternative. The first loan was drawn in full by the end of 1957-58. Against the second loan and third loan together, Rs. 26·26 crores have been drawn upto the end of 1959-60 and in the years 1960-61 and 1961-62 Rs. 12·46 crores and Rs. 1·76 crores respectively are expected to be drawn.

Provision of Rs. 4·4 lakhs and Rs. 7·8 lakhs in the revised and the next budget respectively has also been made for repayment of these loans.

(c) *Loans from Development Loan Fund*:

This Fund was established by the United States Government in 1957. Long term dollar loans are granted from this Fund for developing the economies and increasing the productive capacity of friendly countries.

These loans can be repaid in local currency at the borrower's option and can be utilised for industries in the private sector also. Under an agreement entered into in June, 1958, the Government of U.S.A. agreed to provide a total loan of $ 75 million out of this Fund, comprising two separate loans. The first loan of $ 40 million (since reduced to $ 30m.) is for the modernisation and expansion of Indian Railways. The second loan of $ 35 million is for the development of road transport, cement, and jute industries.

Under five other agreements signed in December, 1958, the Government of U.S.A. allocated a further sum of $ 100 million to be utilised for modernisation and expansion of Indian railways, import of structural and other steel and import of machinery and equipment for various capital projects. A third allocation of $ 20 million was made in July, 1959 for procurement of structural and other steel required for the Second Plan development programme for private sector industries.

Further loans to Government amounting to $ 75·3 million were granted in June, 1960 and on 5th December, 1960 loan Agreements for $ 104·1 million were signed bringing the total allocation on Government account to $ 364·4 million (Rs. 173·52 crores).

The rates of interest on these loans vary from 3½% to 5¾% and are repayable in successive semi-annual instalments varying from 9 to 40. The total amount drawn against these loans upto 1959-60 is Rs. 43·58 crores.

The Revised estimates and the next budget assume credits of Rs. 38·64 crores and Rs. 56·86 crores respectively on this account.

Provision of Rs. 2·93 crores and Rs. 3·61 crores in the revised estimates and the next budget respectively has been made towards repayment of these loans.

(d) *Loan from the U.S. President's Asian Economic Development Fund*:

Under an agreement entered into on 30th June, 1958, the Government of the U.S.A. agreed to provide a loan of $ 20 million from the U.S. President's Asian Economic Development Fund for the development of the Iron Ore Mines in Orissa. The loan carries interest at 3½ per cent per annum from the end of the month in which first disbursement is made. The principal is repayable in 31 half-yearly instalments beginning three years after the end of the month in which the first disbursement is made. A receipt of Rs. 2 crores is anticipated on account of this loan during 1960-61 and Rs. 5·52 crores during 1961-62.

(e) *Loans under P.L.* 480:

Under Title I of U.S. Government Agricultural Trade Development Assistance Act of 1954 (commonly known as PL 480) the Government of U.S.A. have entered into five separate agreements with the Government of India for supply to India of surplus agricultural commodities like wheat, rice, cotton, tobacco etc. worth Rs. 1096 crores against payment in Rupees. The U.S. Government also bears the freight differential resulting from the requirement that 50% of the cargo should be transported in U.S. Flag vessels.

The Rupee equivalent of the dollar cost of these commodities plus 50 per cent of the ocean freight is deposited in U.S. Government Title Account in India. Out of the rupee accruals a sum not exceeding Rs. 510·10 crores would be made available as loan to the Government of India. Loan agreements amounting to Rs. 234·58 crores have so far been signed. The agreements provide for repayment of principal in 40 years. Interest is payable

at rates varying from 3 to 5 per cent. The current year's budget provided for drawal of Rs. 70 crores against this loan, but the receipts are now estimated at Rs. 60 crores. Next year's budget provides for a receipt of Rs. 70 crores on this account.

IV. *LOANS FROM U.S. EXPORT-IMPORT BANK:*

(i) *First Loan:*

An agreement was signed with the Export-Import Bank of U.S.A. on 12th June, 1958 for a credit of $ 150 million (Rs. 71·43 crores). This credit is available for procurement in the United States of capital equipment, machinery and related services for irrigation and reclamation, power, transport and communications, mining and certain selected industries like aluminium, textiles, chemicals, engineering, automobile and coal mining industries and machine tools. The credit bears interest at 5½ per cent per annum and is for a term of 15 years, repayment of principal commencing on 15th January, 1964 and to be completed in 20 approximately equal semi-annual instalments. Payments made in U.S.A. after 28th February, 1958 under these programmes are eligible for reimbursement from this credit. The Revised Estimate for the current year and the Budget Estimate for the next year assume credits of Rs. 24·67 crores and Rs. 35·70 crores respectively on this account.

(ii) *Second Loan:*

The Export-Import Bank of U.S.A. has also authorised a further credit of $ 50 million (Rs. 23·81 crores) to facilitate purchase of U.S. capital equipment and goods for utilisation in public and private sector projects. The loan agreement was signed on the 3rd January, 1961. The loan is repayable in twenty semi-annual instalments, the first instalment falling due in 1966 and carries interest at 5¾% per annum. A credit of Rs. 11·90 crores has been assumed on this account in next year's budget.

V. *CANADIAN WHEAT LOANS:*

Under an agreement signed on the 20th February 1958, the Government of Canada have provided credits upto $ (c) 25 million for the purchase of Canadian wheat and flour during the period from January to July 1958. The loan is repayable in Canadian dollars and bears interest at 4½ per cent per annum. The repayment is to be made in seven equal annual instalments commencing from 31st March, 1961. The credit was completely drawn in 1958-59. A sum of Rs. 1·64 crores each has been provided in the revised and the next Budget for repayment of this loan.

Under another agreement signed on 22nd October, 1958, the Canadian Government have provided a loan assistance to the extent of $ (c) 8·8 million for the purchase of wheat and flour from Canada. The repayment of this loan is also to be made in Canadian dollars in seven equal annual instalments commencing from 31st December, 1961. The loan bears interest at 4½ per cent per annum. The credit was completely drawn in 1958-59. A sum of Rs. 60 lakhs has been provided in the next budget for repayment of this loan.

VI. *LOANS FROM U.S.S.R.:*

(a) *Loan for the Bhilai Steel Plant:*

An agreement with the Soviet Government was concluded on 2nd February, 1955 for the establishment of an integrated Iron and Steel works at Bhilai for which the Soviet Government would provide equipment on

credit. The credit is to be repaid in 12 equal annual instalments payable on 15th March of each year following the year in which such credit is raised. The rate of interest is 2½ per cent per annum and the interest will accrue from the date on which each particular credit is raised and will be paid on or before 15th of March of the following year. The Revised estimates and the Budget estimates take credit for Rs. 147 lakhs and Rs. 20 lakhs respectively, being cost of training of Indian personnel which is also to be paid in 12 years on the same terms and conditions as laid down in the main agreement. The authorised amount of the credit now stands at Rs. 64·74 crores.

A sum of Rs. 11·22 crores has already been paid upto 1959-60 towards the repayment of this credit. Provision has been made for repayment of Rs. 5·52 crores (of which Rs. 4 crores were prepaid in June, 1960) and Rs. 5·41 crores respectively during the current and the next year in respect of this credit.

(b) *Loan for Industrial Enterprises in India*:

Under an agreement with the Soviet Government entered into on 9th November, 1957, that Government agreed to provide a credit of 500 million Roubles (old) (Rs. 59·53 crores) for the establishment of a heavy machine building plant, an optical glass factory, a coal-mining machinery plant, a thermal power station based on lignite and for enterprises in the Korba coal fields. The rate of interest is 2½ per cent. and the credit is to be repaid in 12 equal annual instalments; the first such payment falling due a year after completion of delivery of machinery and equipment for each industrial enterprise.

Anticipated receipts on account of this loan are Rs. 9·04 crores this year and Rs. 12·30 crores next year.

(c) *Drugs Credit*:

An agreement was signed on 29th May, 1959 with the Soviet Union for co-operation in establishing enterprises for the manufacture of drugs, medicines and surgical instruments in India. Under this agreement, the Soviet Union will make available credits up to 80 million Roubles (old) (Rs. 9·52 crores) at the rate of interest of 2½ per cent. per annum. This credit is repayable in seven equal annual instalments beginning one year after the completion of delivery of complete equipment for all enterprises. The revised and the next budget assume credit of Rs. 42 lakhs and Rs. 80 lakhs respectively on this account.

(d) *Loan for construction of Petroleum Refinery at Barauni*:

An agreement was concluded on the 28th September, 1959 with the Soviet Union for the construction of a Petroleum Refinery at Barauni in the State of Bihar. For this purpose, the Soviet Union have offered a credit of 100 million Roubles (old) (Rs. 11·91 crores) at the rate of interest of 2½ per cent. per annum. The credit will be repaid in twelve equal annual instalments. The first instalment for the repayment of this credit is due one year after the completion of deliveries of equipment, steel structurals and materials required for putting the oil refinery into operation. Revised estimates for the current year and the Budget estimates for the next year assume credit of Rs. 50 lakhs and Rs. 6 crores respectively on this account.

(e) 1,500 *million Roubles (old) Credit*:

An agreement was signed with the USSR Government on the 12th September, 1959 for a credit of 1,500 million Roubles (old) (Rs. 178·58 crores) for the Third Five Year Plan. The credit bears interest at 2½ per

cent per annum and is repayable in twelve equal annual instalments. The first instalment for repayment of the credit falls due one year after the completion of the deliveries of equipment etc. for each enterprise. An additional agreement signed on the 12th February, 1960 sets out the list of projects as indicated below which are to be financed from this credit:—

(i) Expansion of the Bhilai Steel Works;
(ii) Expansion of the Heavy Machinery Plant;
(iii) Expansion and diversification of the Mining Machinery Plant;
(iv) Completion of the Barauni Refinery;
(v) Manufacture of Heavy Electrical Equipment;
(vi) Manufacture of precision instruments;
(vii) Exploration, development and production of oil and gas;
(viii) Expansion of the capacity of the Neyveli Power Plant;
(ix) Expansion of the Korba Thermal Power Station; and
(x) Establishment of a Thermal Power Station at Singrauli.

Anticipated receipts on account of this loan are Rs. 2·31 crores this year and Rs. 9·88 crores next year.

(f) *112·5 million Roubles Credit*:

An Agreement was signed on 21st February, 1961, with the U.S.S.R. Government for a credit of 112·5 million roubles (equivalent of 500 million (old) roubles—Rs. 59·53 crores) for the Third Five Year Plan. The terms and conditions of this credit are the same as in the case of the 1500 million roubles (old) credit. The projects and enterprises to be financed from this credit are as below:

(i) Bhakra right bank Hydro-electric Power Station;
(ii) Oil Refinery in Gujarat together with a Thermal Power Plant for the Refinery;
(iii) Coal Washery at Kathara (in Bihar);
(iv) Refractories Plant;
(v) Exploration, development and production of oil by the Oil and Natural Gas Commission in Cambay, Ankleshwar and in other areas; and
(vi) Production of pumps and compressors—Preparation of Techno-economic Report.

An anticipated receipt of Rs. 3 crores has been assumed in the next year's budget.

VII. *LOANS FROM WEST GERMANY*:

(a) *D.M. 660 million credit*:

An Agreement was signed with the Federal Republic of Germany on the 26th February, 1958 for postponement of payments falling due in respect of Rourkela Steel Plant by three years up to a total amount of DM 660 million (Rs. 74·83 crores). The rate of interest is 6 per cent. per annum. In addition, there will be an administrative or service charge of 0·3 per cent. per annum. The deferred payments are likely to be of the order of Rs. 10 crores and Rs. 8·49 crores during the current and the next financial year respectively, for which equivalent credit has been assumed in the Budget.

In accordance with the Agreement, the period of the credit is three years. The West Germany authorities have, however, since agreed to extend the period of repayment of a portion of the debt with the result that out of DM 147 million (Rs. 16·67 crores) due for payment in the current year, only DM 49 million representing one-third of this amount will be payable. Payment of a third of the amount, representing DM 49 million will be deferred by four years with an option to extend the period by another four years. The payment of the balance of DM 49 million has been extended for four years with an option to extend the period by another eight years; thus allowing a total extension of twelve years. Of the sum of DM 202 million falling due for repayment between 1st April and 31st December 1961, the payment of 90 per cent has been similarly extended *i.e.* 50 per cent by eight years and another 50 per cent by twelve years.

Provision has, accordingly, been made for the repayment of Rs. 5·58 crores and Rs. 8·45 crores respectively during the current and the next year in respect of this credit.

(b) *DM 168 million Credit*:

A credit Agreement was signed on the 6th January, 1959 for DM 168 million (Rs. 19 crores approximately) with the Government of the Federal Republic of West Germany to be drawn upon as reimbursement to the Government of India of 80 per cent. of the payments made by Indian importers in both public and private sectors to suppliers in West Germany falling due from 1st September, 1958 on contracts concluded on or before the 1st October, 1959. The entire credit has been drawn in 1959-60. The credit comprises two parts as indicated below:—

(i) The first part of Rs. 5·4 crores is repayable in four equal semi-annual instalments commencing on 30th June, 1962. Repayment of 2/3rds of the amount can, however, be postponed by another 4 years at the option of the Government of India. The rate of interest is ½ per cent. above the rate which the Deutsche Bundesbank shall have charged for advances on securities on the day preceding the disbursement of the loan. The actual rate on this loan is 5½ per cent.

(ii) The second part of Rs. 13·6 crores is repayable in 15 annual equal instalments commencing on 30th September, 1964. The rate of interest is the rate at which the Kreditanstaltfur Wiederauiban, Frankfurt (The German Bank for Reconstruction) raises money in the German market plus 0·7 per cent. as service and administrative charges.

(c) *First Credit of DM 125·1 million*:

An Agreement for a credit of DM 125·1 million (Rs. 14·18 crores) for the import of capital goods from West Germany was signed on the 27th May, 1960. The credit bears an interest of 6½ per cent. per annum. The entire amount of the loan was drawn on 1st July, 1960. The credit is repayable in 30 consecutive semi-annual instalments, commencing on 30th September, 1965 and comprising one instalment of DM 3·3 million repayable on the 30th September, 1965 and twenty-nine instalments of DM 4·2 million each thereafter.

(d) *Second Credit Agreement of DM 125·1 million*:

An Agreement for a further credit of DM 125·1 million for the import of capital goods from West Germany was signed on the 15th November, 1960. The entire amount of the credit was drawn on the 25th November, 1960. The credit is for a period of 15 years, repayment commencing on

30th September, 1966 and ending on 30th September, 1975, and bears interest at 6½ per cent. upto 19th January, 1961 and 5½ per cent. thereafter.

VIII. *LOANS FROM JAPAN*:

(a) *Japanese Export-Import Bank Credits*:

An Agreement was reached with the Japanese Government on the 4th February, 1958 for a credit of 18 billion Yen (Rs. 23·81 crores) to be made available over a period of 3 years from 1st April, 1958 through Japanese Export-Import Bank. The loan is to be utilised for purchase in Japan of railway, power, coal and iron ore mining and processing equipment, ships, port equipment, machine tools and industrial machinery. The loan has to be repaid within ten years from the date of drawal. The rate of interest will be on the basis of normal level of interest charged by the World Bank which is at present 5¾ per cent.

Upto the 18th November, 1960, loan agreements for individual projects of the value of Rs. 11·79 crores have been entered into with the Export-Import Bank of Japan. Loan applications of the value of Rs. 5·21 crores are pending with the Export-Import Bank. It is expected that the Loan Agreements for the entire amount of the line of credit will be completed by 31st March, 1961. The revised estimates and the next year's budget assume credits of Rs. 8 crores and Rs. 11·84 crores respectively on account of this loan.

(b) *Loan for the Orissa Iron Ore Project*:

The Government of Japan have agreed to provide Yen loan worth $ 6 million for the purchase of mining equipment and other material from Japan on the terms and conditions to be agreed upon between the two Governments. A credit of Rs. 1·81 crores has been assumed in the Budget.

IX. *LOANS FROM CZECHOSLOVAKIA*:

An Agreement with the Government of Czechoslovakia was signed on the 24th November, 1959 for a credit of Rs. 23·1 crores to finance the machinery and equipment needed for the Third Stage of the Foundry Forge Plant, a Heavy Machine Tools Building Plant, a Heavy Electrical Plant, and such other Industrial Projects as may be mutually agreed upon. The credit carries interest at the rate of 2½ per cent. per annum and is repayable in eight equal yearly instalments, the first instalment being payable one year after presentation of the final invoice and other documents in respect of the last delivery of machinery and equipment for putting the plant into operation. Next year's budget assumes a credit of Rs. 1·03 crores on this account.

X. *LOANS FROM POLAND*:

An Agreement was signed on the 7th May, 1960 with the Government of the Polish People's Republic for a credit of Rs. 14·30 crores for import of machinery and equipment for construction of industrial plants to be mutually agreed upon. The credit bears an interest of 2½ per cent. per annum and is repayable in eight equal yearly instalments, the first instalment being payable one year after the date of final invoice and other stipulated documents concerning the last shipment of machinery and equipment for putting the plant into operation. A credit of Rs. 4 crores has been taken for the next year.

XI. *LOANS FROM YUGOSLAVIA*:

An Agreement was signed on the 21st January, 1960 with the Government of Yugoslavia for a credit of Rs. 19·05 crores. This credit is available for the purchase of ships and for import of capital goods, and equipment for power projects to be mutually agreed upon. The credit bears an interest of 3 per cent. per annum and is repayable in equal consecutive semi-annual instalments within the periods to be specifically agreed upon in the case of each contract. The Budget estimates for next year assume a credit of Rs. 4 crores on this account.

XII. *LOANS FROM SWITZERLAND*:

A Credit Agreement for 100 million Swiss Francs (Rs. 10·90 crores) was signed on the 30th July, 1960 with the Government of the Swiss Confederation. This credit will be available to meet 80 per cent. of payments to suppliers in Switzerland for imports of agreed capital goods and machinery from that country required for India's development programmes. The credit will be in two parts: (i) An instalment of 60 million Swiss Francs immediately after signature of the Agreement and (ii) the second instalment of 40 million Swiss Francs at a later date by mutual agreement. The credit is to be provided by a consortium of Swiss Banks on mutually agreed terms. Each transfer credit is to be repaid within a period of 10 years from the date it is made use of. No repayment will be required during the first three years and the credit is to be repaid in equal half yearly instalments over the remaining seven years.

A supplementary agreement was signed on the 18th November, 1960 with a consortium of Swiss Banks for credit facilities upto the amount necessary to finance the first instalment of 60 million Swiss Francs. The rate of interest would be 3¾ per cent. above the official discount rate of the Swiss National Bank. A credit of Rs. 3 crores has been assumed in the next year's budget on this account.

XIII. *NEW CREDITS*:

In addition to the various loans mentioned above, some other loans are likely to be authorised during the next year. An *ad hoc* credit of Rs. 120 crores in the Budget Estimates for 1961-62 has been assumed on this account.

FOREIGN LOANS

Statement of Receipts

(In lakhs of Rupees)

(1)	Amount of loan authorised (2)	Actuals, upto 1955-56 (3)	Actuals, 1956-57 (4)	Actuals, 1957-58 (5)	Actuals, 1958-59 (6)	Actuals, 1959-60 (7)	Budget, 1960-61 (8)	Revised, 1960-61 (9)	Budget, 1961-62 (10)
I. U.K. Credits—									
(*a*) U. K. Government Loans—									
(*i*) Durgapur	20,00	..	..	..	20,00	..	..	..	..
(*ii*) Second E.C.G.D. Credit	38,00	..	..	..	5,07	32,93	..	..	..
(*iii*) Oil Pipeline Credit	4,00	..	..	..	..	2,29	1,47	1,44	27
(*iv*) U. K.—India (General) Credit, 1959	25,33	..	..	..	..	8,80	9,33	16,53	..
(*v*) U.K.—India (General) Credit, 1960	13,33	..	..	..	..	..	..	13,33	..
(*vi*) Second U.K.—India (General) Credit, 1960	6,67	..	..	..	..	..	..	6,67	..
(*b*) Lazard Bros	15,33	..	..	67	8,66	4,00	2,00	2,00	..
TOTAL—U.K. CREDITS	1,22,66	..	..	67	33,73	48,02	12,80	39,97	27
II. I. B. R. D. Loans—									
(*i*) Agricultural Machinery Project Loan	3,43	3,43	..	..	..	..	..	..	..
(*ii*) Railway Project Loan I	15,62	15,62	..	..	..	..	..	..	..
(*iii*) Railway Project Loan II	42,86	..	..	26,40	16,46	..	..	..	..
(*iv*) Railway Project Loan III	40,48	..	..	..	38,67	1,81	..	..	..
(*v*) Railway Project Loan IV	23,81	..	..	..	..	6,71	..	17,10	..
(*vi*) Railway Project Loan V	33,33	..	..	..	..	..	..	19,05	14,28
(*vii*) D. V. C. Loan I	7,96	7,96	..	..	..	..	..	..	..
(*viii*) D. V. C. Loan II	5,00	1,96	2,02	97	5	..	..	..	..
(*ix*) D. V. C. Loan III	10,48	..	..	..	3,84	3,20	2,80	3,13	31
(*x*) Koyna Project Loan	11,90	..	..	..	..	1,05	3,52	3,52	3,00
TOTAL—I.B.R.D.	1,94,87	28,97	2,02	27,37	59,02	12,77	6,32	42,80	17,59

	Amount of loan authorised	Actuals upto 1955-56	Actuals, 1956-57	Actuals, 1957-58	Actuals, 1958-59	Actuals, 1959-60	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
III. Loans from U.S.A.—									
(*i*) American Wheat Loan	90,31	90,31	..	..	..	..	..	..	..
(*ii*) Development Assistance Loans	61,91	2,29	10,44	16,82	13,53	4,61	12,40	12,46	1,76
(*iii*) Development Loan Fund Loans	1,73,52	..	..	..	6,87	36,71	44,20	38,64	56,86
(*iv*) Asian Economic Development Fund Loan	9,52	..	..	..	..	..	4,76	2,00	5,52
(*v*) P. L. 480	2,34,58	..	..	..	5,00	23,05	70,00	60,00	70,00
TOTAL—U.S.A.	5,69,84	92,60	10,44	16,82	25,40	64,37	1,31,36	1,13,10	1,34,14
IV. U. S. Export-Import Bank Loans—									
(*i*) First Loan	71,43	..	..	..	1,15	9,91	30,00	24,67	35,70
(*ii*) Second Loan	23,81	..	..	..	..	..	..	..	11,90
TOTAL—EXIM BANK	95,24	..	..	..	1,15	9,91	30,00	24,67	47,60
V. Canadian Wheat Loans	15,71	..	..	..	15,71	..	..	..	..
VI. Loans from U.S.S.R—									
(*i*) Bhilai Loan	64,74	..	2,57	16,26	40,93	3,31	..	1,47	20
(*ii*) Industrial Enterprises	59,53	..	..	..	..	1,34	8,00	9,04	12,30
(*iii*) Drugs Credit	9,52	..	..	..	..	...	1,50	42	80
(*iv*) Barauni Credit	11,91	..	..	..	..	12	4,00	50	6,00
(*v*) 1500 m Roubles (old) Credit for Third Plan	1,78,58	..	..	..	..	..	..	2,31	9,88
(*vi*) 112.5 m Roubles Credit for Third Plan	59,53	..	..	..	..	..	..	..	3,00
TOTAL—U.S.S.R.	3,83,81	..	2,57	16,26	40,93	4,77	13,50	13,74	32,18
VII. West German Loans—									
(*i*) Rourkela Steel Plant.	74,83	..	..	16,73	29,01	10,60	13,23	10,00	8,49
(*ii*) D. M. 168 m. Credit	19,05	..	..	..	4,40	14,65	..	..	..
(*iii*) First D. M 125·1 m Credit	14,18							14,18	..
(*iv*) Second D. M 125·1 m Credit	14,18							14,18	..
TOTAL—West Germany	1,22,24	..	..	16,73	33,41	25,25	13,23	38,36	8,49

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
VIII. Loans from Japan—									
(*i*) Export-Import Bank Credit .	23,81	..	..	..	25	3,72	12,00	8,00	11,84
*(*ii*) Orissa Iron Ore	3,81	..	..	..	..	..	2,00	..	1,81
TOTAL—JAPAN	27,62	..	..	..	25	3,72	14,00	8,00	13,65
IX. Loans from Czechoslovakia—									
Credit for Third Plan Projects . . .	23,10	..	..	..	..	..	..	..	1,03
X. Loans from Poland—									
Credit for Import of Capital equipment .	14,30	..	..	..	..	..	..	..	4,00
XI. Loans from Yugoslavia—									
Credit for Import of Capital goods . .	19,05	..	..	..	..	..	..	..	4,00
XII. Loans from Switzerland									
Credit for Import of Capital goods . .	10,90	..	..	..	..	..		..	3,00
XIII. New Credits	..	..	..	..	..	..	1,10,00	..	1,20,00
TOTAL—RECEIPTS . .	15,99,34	1,21,57	15,03	77,85	2,09,60	1,68,81	3,31,21	2,80,64	3,85,95

*Formal loan agreements not signed.

FOREIGN LOANS

Statement of Repayments

(In lakhs of Rupees)

(1)	Actuals upto 1955-56 (2)	Actuals, 1956-57 (3)	Actuals, 1957-58 (4)	Actuals, 1958-59 (5)	Actuals, 1959-60 (6)	Budget, 1960-61 (7)	Revised, 1960-61 (8)	Budget, 1961-62 (9)
I. *U. K. Credits*—								
(*b*) Lazard Brothers	..	..	..	..	..	..	..	2,00
II. *I. B. R. D. Loans.*—								
(*i*) Agricultural Machinery Project Loan	2,87	56	..	..	..	..	..	..
(*ii*) Railway Project Loan I	5,40	1,03	1,07	1,12	1,16	1,21	1,21	1,26
(*iii*) Railway Project Loan II	..	..	..	..	..	..	..	2,74
(*vii*) D. V. C. Loan I	41	39	41	43	44	46	46	48
(*viii*) D. V. C. Loan II		14	14	15	16	16	16	17
(*ix*) D. V. C. Loan III	..	..	..	..	..	..	..	42
III. *Loans from U.S.A.*—								
(*i*) American Wheat Loan		..	1,08	8	47*	..	..	..
(*ii*) Development Assistance Loans		..	..	..	3	5	4	8
(*iii*) D. L. F. Loans		..	..	..	1,74	3,12	2,93	3,61
IV. *Canadian Wheat Loans*—	..	..	..	..	..	1,54	1,64	2,24
VI. *Loans from U.S.S.R.*—								
(*i*) Bhilai Loan	..	15	1,27	4,33	5,47	5,26	5,52	5,41
VII. *West German Loans*—								
(*i*) Rourkela Steel Plant	..	..	..	..	..	15,88	5,58	8,45
TOTAL—REPAYMENTS	8,68	2,27	3,97	6,11	9,47	27,68	17,54	26,86

*Relates to 1958-59.

ANNEXURE XVII

Statement of Investments in Industrial Undertakings and other concerns and returns therefrom

This annexure is intended to show at one place the revenue accruing to Government as a result of investments made in industrial undertakings and other concerns. Investments like those in Reserve Bank of India, Life Insurance Corporation, National Cooperative Development and Warehousing Board, Overseas Communications Service, Delhi Milk Scheme and Tripura State Bank, etc. have not been included.

(In lakhs of Rupees)

Name of the Concern or Undertaking	Investment by Government			Profits earned by Government			Percentage of Profit	
	To end of 1959-60	R. E. 1960-61	B. E. 1961-62	During 1959-60	Estimated Profit R. E. 1960-61	Estimated Profit B.E. 1961-62	1959-60	1961-62
1	2	3	4	5	6	7	8	9
A.—Departmentally run undertakings								
Ministry of Commerce and Industry.								
1. Drugs and Pharmaceutical Project	3	1	..	..	..	..	..	..
2. Heavy Plate and Vessels Project	..	1	10	..	..	..	..	..
3. Heavy Structural Project	..	1	10	..	..	..	..	..
4. Precision Instruments	..	..	1	..	..	..	..	..
Ministry of Transport and Communications.								
Establishment of Second Shipyard	..	20	60	..	..	..	..	..
TOTAL	3	23	81	...	..	..	..	..
B.—Autonomous Bodies and Government Companies								
Ministry of Commerce and Industry :								
1. State Trading Corporation	2,00	..	..	..	32	18	..	9
2. National Small Industries Corporation	40	..	..	2	8	2	5	5
3. National Industrial Development Corporation	10	25	45	..	..	..	..	..
4. Hindustan Anti-biotics Ltd.	2,47	..	..	..	..	..	..	..
5. Hindustan Insecticides Ltd.	97	..	..	..	..	..	..	..
6. Hindustan Machine Tools Ltd.	5,31	30	70	..	27	28	..	5

(In lakhs of Rupees)

Name of the concern or undertaking	Investments by Government			Profits earned by Government			Percentage of Profit	
	To end of 1959-60	R.E. 1960-61	B. E. 1961-62	During 1959-60	Estimated Profit R.E. 1960-61	Estimated Profit B.E. 1961-62	1959-60	1961-62
1	2	3	4	5	6	7	8	9
7. National Instruments Ltd.	19	..	..	..	..	..	..	..
8. Hindustan Salt Co. Ltd.	24	..	1,75	..	..	..	..	..
9. Nahan Foundry Ltd.	30	..	..	..	..	..	..	..
10. Hindustan Cables Ltd.	1,25	..	..	3	3	3	2	2
11. Export Risk Insurance Corporation	50	..	..	..	..	..	..	..
12. Heavy Engg. Corp., Ltd.	2,10	5,00	20,00	..	..	..	..	..
13. Heavy Electricals, Ltd.	12,45	9,50	1,00	..	..	..	..	..
14. Praga Tools Corp, Ltd.	70	..	..	..	..	..	..	..
15. National Newsprint and Paper Mills, Ltd.	2,55	..	..	..	..	..	..	..
16. Indian Handicrafts Development Corp.	10	3	2	..	..	..	..	..
17. Rehabilitation Industries Corporation	25	10	25	..	..	..	..	..
18. Drugs Corporation Ltd.	..	..	60	..	..	..	..	..
19. Hindustan Organic Chemicals Ltd.	..	40	65	..	..	..	..	..
20. Machine Manufacturing Corporation	25	..	..	..	..	..	..	..
21. Fertilizers Corporation of India	32,74	6,90	..	85	1,53	68	2·6	1·7
22. Hindustan Photo Film Manufacturing Co. Ltd.	..	15	65	..	..	..	..	..
23. Civil Explosives Factory	60	..	..	..	..	..	..	..
Ministry of Defence								
1. Hindustan Aircraft Ltd.	14,20	4,50	2,20	..	..	..	..	..
2. Bharat Electronics Ltd.	4,96	25	..	..	..	..	..	..
3. Mazagaon Docks Ltd.	..	53	18	..	..	..	..	..

(In lakhs of Rupees)

Name of the concern or undertaking	Investment by Government			Profits earned by Government			Percentage of Profit	
	To end of 1959-60	R. E. 1960-61	B.E. 1961-62	During 1959-60	Estimated Profit R. E. 1960-61	Estimated Profit B.E. 1961-62	1959-60	1961-62
1	2	3	4	5	6	7	8	9
4. Garden Reach Workshop Ltd.	..	47	72	..	..	..	..	..
Ministry of Finance								
1. Film Finance Corporation	20	..	..	..	..	..	..	..
2. Punjab Financial Corporation	14	..	5	..	..	..	..	..
3. Industrial Finance Corporation	110	..	..	..	..	..	..	..
4. International Finance Corporation	2,11	..	..	..	..	..	..	..
5. Birtish India Corporation	..	..	51	..	..	..	..	..
Ministry of Food and Agriculture								
Central Warehousing Corporation	..	..	1,00	..	..	..	..	..
Ministry of Home Affairs								
1. Housing Company, Delhi	5	..	..	..	..	..	..	..
2. Commercial concerns under Himachal Pradesh Administration	19	..	..	..	..	..	..	..
3. Delhi-Punjab Joint Financial Corporation	14	..	..	..	..	..	..	..
Ministry of Irrigation and Power								
1. National Projects Construction Corporation	50	..	..	..	..	..	..	..
Ministry of Rehabilitation								
1. Sindhu Resettlement Corporation	50	..	..	..	..	..	..	..
2. Rehabilitation Housing Corporation	5	..	..	..	..	..	..	..
Ministry of Scientific Research and Cultural Affairs								
National Research Development Corporation	10	..	..	..	..	..	..	..
Ministry of Steel, Mines and Fuel								
1. Hindustan Steel Ltd.	3,00,00	..	..	..	..	..	..	..
2. National Coal Development Corporation Ltd.	15,42	11,73	9,00	..	69	2,35	..	6.5
3. Neyveli Lignite Corporation Ltd.	28,49	20,80	22,00	..	..	..	..	..

(In lakhs of Rupees)

Name of the concern or Undertaking	Investments made by Government			Profits earned by Government			Percentage of Profit	
	To end of 1959-60	R.E. 1960-61	B.E. 1961-62	During 1959-60	Estimated Profit 1960-61	Estimated Profit 1961-62	1959-60	1961-62
1	2	3	4	5	6	7	8	9
4. Bolani Ores Ltd.	35	..	5	..	..	..	..	..
5. Singareni Collieries Ltd.	1,20	..	..	..	..	..	..	..
6. Indian Refineries, Ltd.	2,50	6,00	4,00	..	..	..	..	..
7. National Mineral Development Corp.	41	1,50	1,75	.	..	..	..	..
8. Oil India Ltd.	6,00	2,00	1,42	..	..	..	..	..
9. Indian Oil Co.	2	55	1,50	..	..	..	..	..
10. Mysore Iron & Steel Corporation	..	1	25	..	..	..	..	..
11. Orissa Mining Corporation	5	3	6	1	..	1	16	3·7
12. Sikkim Mining Corporation	..	7	10	..	..	..	..	..
13. Indian Mining Construction Company	45	..	.	..	..	..	..	..
14. Oil & Natural Gas Commission	2,85	16,44	21,50	..	..	..	..	..
Ministry of Transport & Communications								
1. Eastern Shipping Corporation	8,20	1,80	2,00	..	..	..	..	..
2. Western Shipping Corporation	7,25	5,65	2,50	..	..	..	..	..
3. Indian Telephone Industries Ltd.	3,59	..	..	9	9	9	2·5	2·5
4. Hindustan Ship Yard Ltd.	4,44	28	1,20	..	..	..	..	..
5. Air India International Corporation	16,55	1,71	2,05	..	..	..	..	..
6. Indian Airlines Corporation.	15,28	1,76	1,87	..	..	..	..	..
7. Deccan Airways	16	..	..	..	..	..	..	..
8. Hindustan Teleprinters Ltd.	..	9	50	..	..	..	..	..
Ministry of Works, Housing and Supply								
1. Hindustan Housing Factory Ltd.	40	..	..	..	..	..	..	..
2. Ashoka Hotels Ltd.,	1,34	..	..	..	..	..	..	..
3. National Building Construction Corporation	..	5	10	..	..	..	..	..
Department of Atomic Energy								
1. Indian Rare Earths Ltd.	64	..	..	..	..	..	..	..
2. Travancore Minerals Ltd.	25	..	..	1	..	..	5	
TOTAL	5,05,55	98,85	1,02,58	1,01	3,01	3,64	·2	·51
GRAND TOTAL	5,05,58	99,08	1,03,39	1,01	3,01	3,64	·2	·51

ANNEXURE XVIII

PUBLIC BORROWINGS IN INDIA

The statement below compares the receipts on account of Rupee Loans (including Annuity Certificates and Prize Bonds) floated and discharged during the 5 years ending 1960-61 as compared with the figures assumed in the respective Budget Estimates:—

(In lakhs of Rs.)

	1956-57		1957-58		1958-59		1959-60		1960-61	
	Floated	Discharged	Floated	Discharged	Floated	Discharged	Floated	Discharged	Floated	Discharged
Rupee Loans—										
Budget Estimates	1,00,60	68	1,00,80	31,85	1,46,65	20,15	2,26,20	1,17,67	2,52,00	1,09,0
Actuals	1,58,16	80,02	1,36,82	67,47	2,02,56@	21,23	3,79,62	1,16,98	2,44,00*	1,08,8

*Revised Estimates
@Excludes Rs. 300 Crores of *ad hoc* treasury bills converted into dated securities.

The net realisations during the 5 years ending 1960-61, would amount to Rs. 726·64 crores.

ANNEXURE XIX

UNFUNDED DEBT

The statement below gives the credits and debits, during the years 1956-57 to 1960-61, under the head 'Unfunded Debt':—

(In lakhs of Rs

	Credit	Debit	Net credit
Budget, 1956-57	2,57,84	1,68,66	89,18
Actuals, 1956-57	2,69,09	1,91,66	77,43
Budget, 1957-58	2,93,70	1,95,28	98,42
Actuals, 1957-58	3,09,14	2,19,87	89,27
Budget, 1958-59	3,44,33	2,26,30	1,18,03
Actuals, 1958-59	3,34,31	2,37,20	97,11
Budget, 1959-60	3,71,53	2,66,15	1,05,38
Actuals, 1959-60	3,59,93	2,53,94	1,05,99
Budget, 1960-61	3,95,76	2,68,22	1,27,54
Revised, 1960-61	6,47,45	2,67,49	3,79,96

The total net realisations on account of State Provident Funds, Post Office Savings Bank Deposits, National Savings Certificates, P.L. 480 Deposits and other items falling under the head "Unfunded Debt" during the 5 years ending March, 1961 would amount to Rs. 749·76 crores.

Statement showing the Guarantees given by the Central Government and outstanding as on 31st December, 1960

Serial No.	Name of Ministry giving the guarantee.	Name of the Public or Other body for whom guarantee has been given.	Authority for giving guarantee and date of sanction, etc.	Nature and Extent of the guarantee.	Rate of interest involved, if any. (Percentage per annum)	Maximum amount guaranteed. (In thousands of Rupees)	Sums guaranteed outstanding on 31-12-60. (In thousands of Rupees)	Whether any securities are pledged to Govt. as a set off against the guarantee.	Remarks.
1	2	3	4	5	6	7	8	9	10
1	Ministry of Commerce and Industry.	State Commercial Bank of Burma, Rangoon.	Ministry of Finance U.O.No. 3170-FV dated 5-9-60	The guarantee is in respect of the grant of overdraft facilities to the State Commercial Bank, Rangoon by State Bank of India.	Free of Interest	40,00	8,50 (Approximately)	No.	..
2	Do.	Heavy Electricals Ltd., Bhopal.	..	Indemnity to indemnify the State Bank of India against all claims in respect of guarantee furnished by them to a British firm M/s Morgan Grenfell & Co. Ltd.	5% or 1% above the Bank of England rate which ever is higher.	3,62,67	1,91,87	No.	Heavy Electricals Ltd. Bhopal, a Government of India undertaking have secured credit facilities for £2·72 million to purchase plant and machinery required for the first phase of the project on deferred terms of payment,

1	2	3	4	5	6	7	8	9	10
									abroad. The credit has been given by a Syndicate of British Banks represented by M/s Morgan Grenfell and Co. The State Bank of India, the Bankers of HEL, have guaranteed repayment of credit and interest thereon to a limit of £3·0 million. Government and HEL have given a counter guarantee to State Bank of India indemnifying it against all claims against the guarantee given by it to the British Firm.
3	—Do—	M/s Metal Corporation of India, Ltd., Calcutta.	Ministry of Industry & Supply letter No. 1 (2)-19(5) 49 dt. 18-3-1950.	The guarantee is for the repayment of loan taken by M/s Metal Corporation from the Industrial Finance Corporation of India and interest outstanding in case of default	5½% with a rebate of ½% for punctual payment of principal & interest.	30,00	12,00	In order to safeguard the interest of the Government (i) the Government have entered into an agreement	The Government of India agreed to give this guarantee as the Metal Corporation are the only lead and zinc producers in the country. The loan taken from I.F.C. was to develop the lead and zinc mines of the Metal Corporation in the Zawar area in Rajasthan so as to increase output.

							with the Corporation whereby the Government can take over the undertaking within a certain period and (ii) two Government Officials are on the Board of Directors of the Corporation.	
4	Do.	(*i*) National Small Industries Corporation (P) Ltd., Bombay. (*ii*) National Small Industries Corporation (P) Ltd., Madras. (*iii*) National Small Industries Corporation (P) Ltd., Calcutta. (*iv*) National Small Industries Corporation (P) Ltd., Delhi.	Government of India M/C & I letters No. SSI (A)(36) 57, dated 8-8-1958, No. SSI(A)(36)/57II, dated 29-8-1957 and No. SSI (A) (36)/57, dated 18-10-1960.	With a view to open a letter of credit with the State Bank of India without margin, the Government of India have given a guarantee of Rs. 15 lakhs in respect of each subsidiary Corporations. at Bomboy and Calcutta and of Rs. 20 lakhs and Rs. 30 lakhs for Madras and Delhi respectively This will be a continuing guarantee and will not therefore, expire	Nil.	15,00 for Bombay, & Calcutta Corporations 20,00 for Madras Corporation and 30,00 for Delhi Corporation.	(*i*) Nil. (*ii*) 21,89 (*iii*) 10,97 (*iv*) 22,12	Nil.

1	2	3	4	5	6	7	8	9	10
				as soon as any corporation has imported machinery up to the limits specified in each case. Each corporation will be entitled to avail itself of this guarantee as long as the total amount payable or paid on behalf of that Corporation by the Government of India under the guarantee does not exceed the limits indicated above in each case. The Government of India undertake to reimburse to the State Bank of India the amount paid by that Bank under these arrangements on behalf of any Corporation and not reimbursed by that Corporation on a demand for reimbursement being made by the Bank.				

5	—Do—	(i) Northern India, Chemical Works Ltd., Meerut Cantt. (ii) M/s. Vijay Metal Industries, Jaipur. (iii) M/s General/Stores Supply Co., Kanpur. (iv) Union Metal Works, Bombay (v) M/s. Jyoti. Engineering Corporation, Bombay. (vi) M/s. Mahamaya Electric Store, Calcutta.	Government of India, Ministry of C&I, letter No. 15-SSI(A)(14)/56 dated 28-3-1957. —Do— —Do— —Do— —Do— —Do—	With a view to extending credit facilities to small scale units against pledged raw materials, the Government have authorised the National Small Industries Corporation to give a blanket guarantee of Rs. 30 lakhs to the State Bank of India. According to the agreement executed between the State Bank of India, and the National Small Industries Corporation in this regard, the Bank has undertaken to grant advance upto 100% of the value of raw materials required by the small scale industry in respect of orders received from Government through the Corporation. The guarantee given in this regard is subject to the condition that in each case the difference between the amount actually advanced	Nil	30,00	4	..

1	2	3	4	5	6	7	8	9	10
				by the State Bank of India and the amount the Bank would have normally advanced will not exceed Rs 25,000 in the case of each borrower subject to an overall limit of Rs 30 lakhs.					
6	Do.	Hindustan Chemical & Fertilizers Ltd.	Ministry of C&I. letter No. 8 (71)/60D/20/6/60 with the approval of the M/o Finance and M.o Law sanction dated (a) 15 1 1958, (b) 29/12/1958, (c) 15/1/1958, (d) 13/10/1958, (e) 25/7/1959.	Counter guarantee given by the Government of India to the State Bank of India who have guaranteed to the Foreign suppliers payment due by Hindustan Chemicals and Fertilizers Ltd. for the supplies made under the contract.	Nil	3,69 (a) 3,27,34 (b) 51,80 (c) 6,12.69 (d) 1,79,03 (e) 3,88	3,28 (a) 2,90,97 (b) 46,05 (c) 5,44,62 (d) 1,34,27 (e) 2,91	The guarantee has been issued on behalf of M/s. Hindustan Chemicals & Fertilizers Ltd., 100% shares of which are held by the President of India.	
	Do.	Do.	M/C & I. letter No. Fert 8 (108)/60 of 30/6/60 and No. 8(81)/59 of 29-4-1960.			38,48 91,03	38,48 91,03		
7	Do.	Fertilizers & Chemicals Travancore Ltd.	Article 292 of the Constitution read with section 24 of Industrial Finance Corporation Act, 1948.	Repayment of principal and payment of interest and other charges.	Nil.	2,95,94	1,66,72	No. The Company has mortgaged its assets in favour of Industrial Finance Corporation.	

8	Do.	M/s. Dhrangadhra Chemicals Works Ltd.	Guarantee given by Union Govt. on 31-8-1957.	Repayment of principal and payment of interest due thereon to the Industrial Finance Corporation on demand in the event of the Company committing default in the payment of the same on due dates.	(*i*) Rs. 42,50,000 Interest 5½% p.a. with a rebate of ½% for punctual payment of principal and interest. (*ii*) Rs. 100,00,000 interest at such rate as may be fixed by the Corporation from time to time with the prior approval of Central Government subject to a minimum of 7% p.a. which is now current and the rebate of ½% as in (i).	1,42,50	1,42,50	The Securities are pledged to I.F.C.
9	Do	West Coast Paper Mills, Bombay	Guarantee given by Union Govt. on 28-2-59	Repayments of Loans and interest thereon.	7 percent with a rebate of ½ percent for punctual payment of interest and repayment of the	1,50,00	1,50,00	The Company's block assets have been mortgaged with the I.F.C.	The first instalment of repayment falls due on 15-7-1962.

1	2	3	4	5	6	7	8	9	10
					instalments of principal and compliance with all other obligations under the relative Mortgage Deed.				
10	Do.	State Trading Corporation of India, Ltd., New Delhi.	Ministry of C & I letter No.2-6-60-FV dt. 10-8-60.	The guarantee is for over drawals against the cash credit limit of Rs. 6 crores allotted to S.T.C.	4½ per cent on all net borrowings and 1 percent on the portion counter valued.	6,00,00	6,00,00	..	The S. T. C. has executed a promissory note in favour of the Govt. which in turn has been endorsed to State Bank of India.
11	Do.	Heavy Engineering Corporation, Ltd. Ranchi.	M/ Finance (DEA) O.M. No. F-6 (13)-FC/60 dated 10-12-60 and M/C & I New Delhi letter No. 2/11/60 HECHE D/18-10-60.	President of India guarantees and undertakes to indemnify the State Bank of India against all consequences that may arise as a result of their issuing the letter of authority.	..	6,40	6,40	Nil.	The guarantees are in respect of letters of authority issued by the State Bank of India on behalf of Heavy Engineering Corporation Ltd., on account of payments towards the supply of machinery and equipment and cost

Do.	Do.	Do dated 14-12-60 Do 21-10-60 Do. 2-11-60-II-HECHE dated 3-9-60 Do 2-11-60 (I)	Do.	..	6,40 5,72 40,00 20,00	6,40 5,72 38,89 14,61	Nil.	of working drawings for Heavy Machine Building & Coal Mining Machinery projects under the contracts entered into pursuant to the 500 million rouble agreement between the Govt. of India and the Govt. of USSR, dated 9-11-57 relating to co-operation for setting up of Industrial Enterprises.
		HECHE dt. 3-9-60 do 6-16-60-HECHE dated 30-11-60			5,50	5,50		The guarantee is in respect of letters of credit issued by the State Bank of India on behalf of Heavy Engineering Corporation Ltd., on account of payments towards the cost of equipment to be delivered in 1960-61 for the Foundry Forge Plant under contract executed on 19th August, 1958 with Technoexport, Praha for the establishment of Foundry Forge Plant.

1	2	3	4	5	6	7	8	9	10
12	Ministry of Community Development & Co-operation.	Bellary Central Co-operative Store Ltd.	F. 16/7/56Co-Op. I 28-11-56 and Sanction dated 4-6-56.	Continuing guarantee to the extent of 50 per-cent. of Rs. 40 lakhs.	6 percent fixed on interim loan of Rs. 25 lakhs, 6½ per cent fixed on interim loan of Rs. 14·75 lakhs.	20,00	20,00	Assets are pledged with I.F.C.	
		Do.	No. 9-102/59F&S 27-4-60 and sanction dt. 25-2-59	Do of Rs. 20 lakhs.	Do.	10,00	10,00	Do.	
13	Do.	Pandavpura Sahakari Sakhar Kar-khana Ltd.	No. 34-10/58-Co-Op II, dt. 30/5/58 and Sanction Dt. 27-2-58	Do of Rs. 50 lakhs.	Do.	25,00	25,00	Do.	
14	Do.	Madurantakam Co-operative Sugar Mills Ltd.	No. 34-12/58-Co-Opt. II, dated 16-5-57.	Do. of Rs· 50 lakhs.	Do.	25,00	25,00	Do.	
15	Do.	North Arcot District Co-Operative Sugar Mills Ltd.	No. 34 (12)/58 Co-Op. II, dated 5/16-2-60 and Sanction dt. 27-2-58.	Do. of Rs. 55 lakhs.	7 percent with a rebate of ½ per cent for punctual payment of interest and principal.	27,50	27,00	Do.	

16	Do.	Amravati Co-Operative Sugar Mills, Ltd.	No. 34 (12) 58 Co-Op. II, dated 5/16-2-60 and sanction dt. 27-2-58.	Do. of Rs. 55 Lakhs.	Do.	27,50	27,50	Do.
17	Do.	Amadalavalasa Co-Operative Agricultural Industrial Society, Ltd.	No. F-9/58/59-F&P, dt. 21-3-60 and sanction dt. 26-10-59.	Do. of Rs. 75 Lakhs.	6½ percent fixed on interim loan.	37,50	37,50	Do.
18	Do.	Chodavaram Co-Operative Agricultural and Industrial Society, Ltd.	Do.	Do. of Rs. 75 Lakes.	Do.	37,50	37,50	Do.
19	Do.	The Palakole Co-Operative Agricultural & Industrial Society Ltd.	No. F13/10/59-TS, dt. 1-12-60 and sanction dt. 31-3-60.	Do. of Rs. 75 Lakhs.	7 percent with a rebate of ½ percent for punctual payment of instalments and interest (on the main loan).	50 per-cent of the loan amount *i.e.*, 37,50.	..	Do.
20	Do.	The Chittoor Co-Operative Sugars Ltd.,	No. F13-41/60 TS dt. 5-12-60 and sanction Dt. 28-4-60.	Do. of Rs. 75 Lakhs	6½ percent fixed on interim loan.	37,50	25,00 (Interim loan).	Do.
21	Do.	Haryana Co-Operative Sugar Mills, Ltd.	Deed of guarantee dated 13-11-57 for Rs. 45 lakhs *vide* sanctions dated 15-10-55 and 30-10-56.	Do. of Rs. 45 Lakhs.	6½ percent less ½ percent rebate.	22,50	22,50	Do.

1	2	3	4	5	6	7	8	9	10
						Rs	Rs		
		—Do—	Deed of guarantee dated 13-2-59 for Rs. 10 lakhs *vide* sanction dt. 27-6-58.	Continuing guarantee to the extent of 50%. of Rs. 10 lakhs.	7 percent per annum less ½ percent rebate.	5,00	5,00	Assets are pledged with the I.F.C.	
22	Do.	Janta Co-Operative Sugar Mills.	Deed of guarantee dt. 27-7-56 for Rs. 35 lakhs *vide* sanction dt. 27-6-58.	Do. of Rs. 35 lakhs.	6½ percent per annum less ½ percent rebate.	17,50	17,50	—Do—	
	Do.	Do.	Deed of guarantee dt. 13-2-59 for Rs. 10 lakhs *vide* sanction dt. 27-6-58.	Do. of Rs. 10 lakhs.	7 percent per annum less ½ percent rebate.	5,00	5,00	—Do—	
23	Do.	Panipat Co-operative Sugar Mills Ltd., Panipat.	Deed of guarantee dated 29-12-56 for Rs. 40 lakhs and sanction dated 30-7-56.	Do. of Rs. 40 lakhs.	6½% per annum less ½ percent rebate.	20,00	20,00	—Do—	
	Do.	Do.	Deed of guarantee dated 13-2-59 for Rs. 11 lakhs and sanction dated 27-2-58.	Do. of Rs. 11 lakhs.	7% per annum less ½% rebate.	5,50	5,50	—Do—	

24	Do.	Bazpur Co-operative Sugar Mills Ltd.	Deed of Guarantee dated 8-11-57 for Rs. 60 lakhs and sanction dated 8-2-60.	Do of Rs. 60 Lakhs.	7% per annum less ½% rebate.	30,00	30,00	Do.
	Do.	Do.	Letter No. 61/60 F & S dated 28-6-60 agreeing to guarantee and sanction dated 5-2-60.	Do of Rs. 15 Lakhs.	7% per annum less ½% rebate.	7,50	7,50	Do.
25	Do.	Bhagpat Co-operative Sugar Mills Ltd.	Letter No. 9-30/59- Co-op. II dt. 7/16th July, 1959 agreeing to guarantee 50 % of the loan of Rs. 60 lakhs & sanction dated 27-9-58.	Do of Rs. 60 Lakhs.	Do.	30,00	30,00	Do.
26	Do.	Assam Co-operative Sugar Mills Ltd.	F. 16-17/56/Co-op. I. Processing dated 25-2-57 and sanction dated 26-6-56.	Do of Rs 45 Lakhs.	7 % with a rebate of ½% for punctual payments.	22,50	22,50	Do.
		Do.	Letter No. Nil dated 19-11-59 and sanction dated 25-2-59.	Do of Rs. 15 Lakhs additional.	Do.	7,50	7,50	Do.
27	Do.	Shriram Sahakari Sakhar Karkhana Ltd.	F. 16-2/56 Co-op. I dated 19-5-56 and F. 2-2/57-Co-op. II (C.P.) dated 12-12-57. Sanctions dated 17-12-55 and 16-5-57 respectively.	Do of Rs. 47.50 Lakhs.	7% subject to a rebate of ½%.	23,75	23,75	Do.

1	2	3	4	5	6	7	8	9	10
						Rs.	Rs.		
28	Do.	Malegaon Sahakari Sakhar, Karkana Ltd.	F. 16-2/56 - Co-op. I dated 19-5-56 & F/16-2/ 56-C Co-op I dated 28-11-56 F2(2)/ 57-Co-op II (C.P.) dated 12-12-57.	Continuing guarantee to the extent of 50 per cent of Rs. 52.50 lakhs.	7 per cent Subject to a rebate of ½ per cent.	26,25	26,50	Assets are pledged to I.F.C.	
29	Do.	Shri Chhattrahpathi Shivaji Sahakari Sahkar Karkhana Ltd.	F. 16-2/56 Co. op. Processing dated 25-2-57.	Do of Rs 24 lakhs.	Do.	12,00	12,00	Do.	
30	Do.	Ashoka Saha—kari Sakhar Karkhana Ltd.	F. 16-2/56 Co-op. I, Dated. 19-5-56 & F 16-2. 56-C-oop I. Dated 28-11-56 Sanction dated 6-8-55 for 45 Lakhs.	Do of Rs. 45 lakhs.	Do.	26,25	26,25	Do.	
			F. 2(2)/57Co.-op. II (C.P.) Dt. 12-12-57 Sanction Dt. 16-5-57 for Rs. 7·5 Lakhs	Do of Rs. 7.5 lakhs.	Do.				
31	Do.	Ganesh S.S. K. Ltd.,	F. 16-2/56- Co.-op. I, Dt. 19/5/56 & F16-2/56 Co-op. I dt. 21-9-56 Sanction dt. 15-10-55 for Rs. 45 Lakhs.	Do of Rs. 45 lakhs.	Do.	22,50	22,50	Do.	

	Do.	Do.	F. 2 (2) 57 Co-op. I, (C. P.) Ltd. 12-12-57. Sanction dt. 16-5-57 for Rs. 7·5 lakhs.	Do. of Rs. 7·5 lakhs.	Do.	3,75	3,75	Do.
32	Do.	Shree Khedut Sahakari Khand Mandli Ltd.,	F.16-2-/56 Co-op. I dt. 19-5-56. Sanction 3-5-56 for Rs. 40 lakhs.	Do. of Rs. 40 lakhs.	Do.			
			F. 34-2/68- Co-op. I. dt. 22-5-58. Sanction for Rs. 7·5 lakhs dt. 16-5-57.	Do. of Rs. 7·5 lakhs.	Do.	23,75	23,75	Do.
33	Do.	The Girna S.S.K. Ltd.	F. 16-2/56Co. op. I (II) dt. 7-8-56 Sanction dt. 2-3-56 for Rs. 40 lakhs.	Do. of Rs. 40 lakhs.	Do.			
			F. 2(2) 57- Co-op II (C.P.) dt. 12-12-57. Sanction dt. 16-5-57 for Rs. 15 lakhs.	Do. of Rs. 15 lakhs.	Do.	32,50	32,50	Do.
			9-68/59 F&P dt. 4-12-59, Sanction dt., 24-12-58 for Rs. 10 Lakhs (Addl.)	Do. of Rs. 10 lakhs.	Do.			

1	2	3	4	5	6	7	8	9	10
						Rs.	Rs.		
34	Do.	The Bhogawati S.S.K. Ltd.	F-16-2/56 Co-op. I, dt. 28-11-56 Sanction dated 4-6-56 for Rs. 45 lakhs.	Do. of Rs. 45 lakhs.	Do.	32,50	32,50	Do.	
			F. 2(2)/57-Co-op. II (C.P.) dt. 12-12-57. Sanction dt. 16-5-57 for Rs. 10 lakhs.	Do. of Rs. 10 lakhs additional.	Do.				
			9-61/59 F&P., dt. 4-12-59 Sanction dt., 24-12-58 for Rs. 10 Lakhs.	Do. of Rs. 10 lakhs additional.	Do.				
35.	Do.	Shree Warana S. S. K., Ltd.	F. 16-2/56-Co-op I., dt. 28-1-56. Sanction dt. 4-6-56.	Continuing Guarantee to the extent of 50% of Rs. 45 lakhs.	Do.	32,50	32,50	Do.	
			F. 2(2)/57-Co-op. II (C.P.), dt. 12-12-57. Sanction dt. 16-5-57.	Do. of Rs. 10 lakhs (addl.).	Do.				
			9-65/59-F & P, dt. 4-12-59. Sanction dt. 24-11-58.	Do. of Rs. 10 lakhs	Do.				

36.	Do.	Shree Pancha Ganga S.S.K. Ltd.	F. 16-2/Co-op. I Processing, dt. 6-6-57 Sanction dated 26-6-56.	Do. of Rs. 45 lakhs.	Do.			
			F. 2(2)/57-Co-op. II (C.P.) dt. 12-12-57 Sanction dated 16-5-57.	Do. of Rs. 10 lakhs.	Do.	32,50	32,50	Do.
			9-70/59-F & P. dt. 4-12-59 Sanction dt. 24-11-58.	Do. of Rs. 10 lakhs.	Do.			
37.	Do.	Shetkhari S.S.K., Ltd.	F. 2 (27)/57-Co-op. II (C.P.) dt. 23-11-57. Sanction dt. 16-5-57.	Do. of Rs. 55 lakhs.	Do.	32,50	32,50	Do.
			9-67/59-F & P. dated 4-12-59 Sanction dated 24-1-58.	Do. of Rs. 10 lakhs.	Do.			
38.	Do.	Kodinar Khand Udyog Khedut Sahakari Mandli Ltd.	34/2/58-Co-op. II, dt. 27-2-59 Sanction dt. 23-4-58	Do. of Rs. 60 lakhs.	Do.	30,00	30,00	Do.

1	2	3	4	5	6	7	8	9	10
39.	Do.	Krishna S.S.K. Ltd.	9/27/59 T & S, dt. 17-10-60						
			3 Sanctions. dated 26-11-56, 16-5-57 and 19-12-59 respectively.	Do. of Rs. 40 lakhs, 15 lakhs and 20 lakhs.	Do.	37,50	37,50	Do.	
40.	Do.	Tripura State Co-operative Bank, Ltd., Agartala.	No. 2-11/58 Co-op. I, dt. 8-6-59; No. 8-18/59-UT, dt. 15-12-59; No. 3-17/60-UT, dt. 22-9-60 (for 1960-61.)	Repayment of principal and interest	2% below Bank rate.	4,00	6,00	..	Amount was drawn 29-6-59.
					Do.	6,00			Sanctioned by R.B.I. on 8-1-60.
					Do.	8,00			Sanctioned by R.B.I. on 3-10-60.
41.	Do.	Manipur State Co-operative Bank Ltd., Imphal.	No. 5-123-58-Co-op-I 3-18 60-U. T. dt. 20-9-60.	Repayment of principal and interest.	2% below Bank rate	4,00	5,00	..	Sanctioned by RBI on 14-6-59.
				Do.	Do.	10,00			R.B.I. sanctioned only Rs. 8 lakhs.
42.	Do.	Pondicherry State Co-Operative Bank Ltd., Pondicherry.	No. 4-2/59-U.T., dt. 28-12-59.	Do.	Do.	11,00		..	Sanctioned by R.B.I. on 25-1-60.
			No. 3-19 60-U.T. dt. 15-12-60.	Do.	Do.	15,00	11,00		Sanctioned by R.B.I. on 6-1-61.
			No. 3-28/60-U. T. dated 15-12-60. (Medium term loans).	Do.	Do.	2,00	..	..	Pending sanction by R.B.I.

43.	Ministry of Defence.	Hindustan Aircraft Ltd., Bangalore.	Ministry of Finance letters No. 10786 Prod. dt. 10-9-59.	Guarantee for cash credit arrangement of Hindustan-Air Craft Ltd., Bangalore with the State Bank of India and relates to the payment of principal and interest thereon.	5% with effect from 1-10-60 on withdrawals on the cash credit.	1,50,00	Withdrawal from cash credit was 79,57	No.	A deed of security and charge covering the entire property of HAL was executed in favour of Govt. of India on 15-3-41. The question of its cancellation is under consideration.
4.	Do.	Bharat Electronics Ltd.	Letters No. 834 Prod. dt. 12-2-60 and No. 7598 Prod. dt. 13-12-60 issued by the Financial Advisor (Defence Services).	The Guarantee is to facilitate the opening of a cash credit by BEL with the State Bank of India and extends up to 28-2-62.	At the interest rate prescribed by State Bank of India. Current rate 5%.	25,00 plus interest charges.	25,00 plus interest charges.	No.	A demand pronote for the maximum amount guaranteed together with the interest accrued thereon has been made out to the President of India by the Chairman, Board of Directors and this in turn has been endorsed to the State Bank of India, Bangalore.
45.	Ministry of Finance (Department of Economic Affairs).	Industrial Credit and Investment Corporation of India Ltd.	Guarantee Agreement dt. 14-3-55 between the President of India and the I.B. R.D.	Payment of Principal, interest and other charges as per loan agreement between the borrower and the I.B. R.D. referred to in the guarantee Agreement.	4⅝%	4,76,19	3,47,19	..	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Do.	Do.	Guarantee Agreement dt. 15-7-59 between the President of India and the I.B.R.D.	Do.	Variable	4,76,19	7,22	No	
	Do.	Do.	Guarantee Agreement dt. 28-10-60 between the President of India and the I.B.R.D.	Do.	Do.	9,52,38	Nil	..	
46.	Do.	Industrial Finance Corporation of India.	Section 5 of the I. F. C. Act, 1948.	Gurarantee of the shares of the Corporation as to the repayment of principal and payment of the annual dividend.	2½% as minimum guaranteed dividend.	Shares of 5,00,00 and dividend thereon.	5,00,00	No.	The total amount drawn from the Govt. by way of subvention to meet the guaranteed dividend upto the 30th June, 1956 amounts to Rs. 53,45,490·16 nP. The Corporation has since repaid Rs. 15,45,490·16 nP. leaving the balance outstanding at Rs. 38,00,000.
	Do.	Do.	Section 21 (1) of the I. F. C. Act, 1948.	Repayment of principal and payment of interest in respect of 1964 Bonds issued by the Corporation aggregating Rs. 7,80,50,000.	3½%	7,80,50	7,80,50	No.	The bonds mature on 1st August, 1964.

Do.	Do.	Section 21(2) of the I. F. C. Act, 1948.	Repayment of principal and payment of interest in respect of 1977 Bonds issued by the Corporation aggregating Rs. 4,56,47,400.	4½%	4,56,47	4,56,47	No.	The bonds mature on 25th November, 1967.
Do.	Do.	Do.	Repayment of principal and payment of interest in respect of 1968 Bonds issued by the Corporation aggregating Rs. 4,38,30,800.	4½%	4,38,08	4,38,08	No.	The bonds mature on 24th November, 1968.
Do.	Do.	Do.	Repayment of principal and payment of interest in respect of 1971 Bonds issued by the Corporation aggregating Rs. 5,48,86,800.	4%	5,48,87	5,48,87	No.	The Bonds mature on 5th October, 1971.
Do.	Do.	Do.	Repayment of principal and payment of interest in respect of the Corporation Special Bonds, 1961 of the face value of Rs. 3,50,00,000.	4%	3,50,00	3,50,00	No.	The Bonds mature on 2nd January 1961.

1	2	3	4	5	6	7	8	9	10
47	Ministry of Irrigation & Power.	Tata Group of Hydro-Electric Co. Ltd.	Guarantee Agreement dated 19-11-54 between the President of India and I.B.R.D.	Payment of principal, interest & other charges as per loan Agreement between ween the borrower and I.B.R.D.	4¾% per annum	6,64,29	6,40,35	..	
	Do.	Do.	Guarantee Agreement dated 29-5-57 between the President of India and the I.B.R.D.	Do.	5 ⅝%	4,66,67	4,04,46	..	
48	Do.	National Project Construction Corporation Ltd.	Ministry of I&P letter No. 11(3)/59-Coord., dated 31-12-59 and 5th Nov. 1960	Guarantee for cash credit accommodation by the State Bank of India to the Corporation to a maximum limit of Rs. 5 lakhs.	½% above the State Bank Advance rate rising & falling therewith, with a minimum of 5% per annum with monthly rates.	5,00	2,69	No	The cash credit is being operated from Jan. 60 and was due to expire on 31st Dec. 60 In view of the tight Ways & Means position & difficulties in working capital, the cash credit has been extended by one year vide letter No. 11(3)/60-Coord dated 5-11-60, with effect from 1st Jan. 1961.
49	Ministry of Railways.	Burdwan-Katwa Rly. Co. Ltd.	Contract dated 5th April, 1917 between the Secretary of State (now President of India)	The amount of the guarantee is limited to make up the net receipts of the Rly. Co. up to	3½%	17,80	17,80	No	The line is worked by the Company itself.

			and the Burdwan Katwa Rly. Co. Ltd.	3½% p.a. on its paid up share capital. When the net receipts of the Company exceed the minimum amount sufficient to pay interest on its paid up share capital at the rate of 5% p.a. such excess is divided equally between the Govt. & the Co. Managing Agency remuneration amounting to Rs. 5,000 p.a. and other petty expenses subject to audit, are taken as a part of working expenses of the Railway in arriving at the net receipts of the Co.					
50	Do.	Ahmadpur Katwa Rly. Co. Ltd.	Contract dated the 8th May, 1922 between the Secretary of State (now President of India) and the Ahmadpur-Katwa Rly. Co., Ltd.	The amount of guarantee is limited to make up the net receipts of the Rly. Co., upto 3½% p.a. on its paid up share Capital. When the net receipts	3½%	17,24	17,24	No.	Do.

1	2	3	4	5	6	7	8	9	10
				of the Co. exceed the minimum amount sufficient to pay interest on its paid up share capital at the rate of 5% p.a. such excess is divided equally between the Govt. & the Company. Managing Agency remuneration amounting to Rs. 5,000 p.a. and other petty ex-penses subject to audit, are taken as a part of working expenses of the Rly. in arriving at the net receipts of the Company.				
51	Do.	Futwah Islampur Light Rly. Co. Ltd.	Contract dated the 3rd Sept. 1920 between the Secretary of State (now President of India) & F. I. Light Rly. Co. Ltd.	Same as above except that Managing Agency remuneration is taken at Rs. 6,000 p.a. in this case.	3½%	11,50	11,50	No	Do.

52	Do.	Bankura Damodar River Railway Co. Ltd.	Agreement dated 6th Sept., 1918 between, the Secy. of State (now President of India) & Bankura Damodar River Railway Co. Ltd.	Same as above except that Managing Agency remuneration is taken at Rs. 10,000 p.a. in this case.	3½%	34,00	34,00	No.	Do.
53	Do.	Chaparmukh Silghat Railway Co. Ltd.	Contract dated 14th Nov. 1918 between the Secy. of State (now President of India) and the Chaparmukh Silghat Rly. Co. Ltd.	The amount of guarantee is limited to make up the net receipts of the Rly. Co. upto 3½% p.a. on its paid up share capital. When the net receipts of the Co. exceed the minimum amount sufficient to pay interest on its paid up share capital at the rate of 5% p.a. such excess is applied towards the payment of the Managing Agency remuneration amounting to Rs. 6,000 & other petty expenses subject to audit	3½%	31,00	31,00	No.	This line worked by the Central Govt. through the agency of the Rly. Administration.

1	2	3	4	5	6	7	8	9	10
				and the balance, if any, is divided equally between the Govt. and the company.					
54	Do.	Katakhal Lala Bazar Railway Co. Ltd.	Contract dated 19th May, 1923 between the Secretary of State (now President of India) and the Katakhal Lala Bazar Railway Co. Ltd.	Same as above except that the Managing Agency remuneration is taken at Rs. 3,500 in this case.	3½%	8,91	8,91	No.	Do.
55	Ministry of Rehabilitation.	Kanwar Raj Nath purchaser of an evacuee concern known as Ambernath Mills at Bombay.	(1) Rehabilitation committee of the cabinet as per their directive given on 29-11-58. (2) Gurantee executed on 21-4-60.	The entire loan of Rs. 7,00,000 granted to Kanwar Raj Nath by the Bombay State Financial Corporation for running the Mills has been guaranteed in the shape of Second mortgage on the property.	6½% per annum.	7,00	7,00	Mortgage of the Ahmed Silk Mills situated on the property bearing Non-agricultural Survey No. 2 of Kohaj Kuntavli Development Scheme 15, Ambernath, Bombay.	
56.	Ministry of Steel Mines & Fuel (Deptt. of Mines & Fuel).	Oil India (Private) Ltd.	Controller of Capital Issues letter No.R. 198-C.C.I./60-721 dated 3-6-60.	O.I.L. arranged an overdraft of Rs. 10 crores from the State Bank of India.	5½%	1,66,00	1,66,00	Nil	Nil

				Govt. has guaranteed 1/3 of Rs.5 crores i.e. Rs. 1·66 crores. O.I.L. has hypothecated its assets as security for the remaining Rs. 5 crores.						
57.	Do.]	Indian Refineries Ltd.	Letters No. 9(16)--59-O.R, dated 25-2-60, 1-6-60, 29-8-60 and 28-12-60.	Guarantee has been given by the Govt. of India, in consideration of the State Bank of India issuing a letter of authority on the State Bank of U.S.S.R.	2·5%	1,18,63	75,92	..		Following the inter-Governmental Agreement, the Indian Refineries, Ltd. concluded a subsidiary contract on 31-12-59 with M/s Tjzhpromexport, Moscow. The total cost of contract is Rs. 1,18,63,000/-.
58.	Do.	Indian Oil Co. Ltd.	Govt. of India Min. of S. M. & F. letter No. 9(52)/60-oil (PL) dated 25-7-60 to State Bank of India.	Guarantee to indemnify State Bank of India, against all consequences of their issuing a letter of authority for Rs. 15,00,000 on behalf of I.O.C. on the State Bank of U.S.S.R. Moscow on account of payment under contract dated 15-7-60 between I.O.C. & M/s Sojuzneftex export, Moscow.	Nil	15,00	15,00	Nil		The Indian Oil Co. have entered into a contract with Soviet Export Organisation for import of substantial quantities of deficit petroleum products. The suppliers have agreed to allow credit, free of interest, subject to State Bank of India guarantee and Govt. of India have issued a counter guarantee.

1	2	3	4	5	6	7	8	9	10
	Do.	Do.	Letter No. 9(52) 60-Oil (PL) dated 13-9-60 to State Bank of India.	Do.	Nil	15,00	13,50	Nil	Do.
	Do.	Do.	Letter No. 9(52) 60-Oil (PL) dated 21-10-60.	Do.	Nil	15,00	..	Nil	Do.
59	Do Department of Steel.	Indian Iron & Steel Co. Ltd.	Guarantee Agreement dated 18-12-52 between the President of India and the I.B.R.D.	Payment of principal, interest & other charges, as per loan Agreement between the borrower and to I.B.R.D. referred in guarantee Agreement.	4¾%	14,29,52	11,44,08	Entire properties of the Company are mortgaged to I.B.R.D. and the Govt. of India as security.	
	Do.	Do.	Guarantee Agreement dt.19-12-56 between the President of India and the I.B.R.D.	Do.	5%	9,52,38	7,09,50	Do.	
60	Do.	Tata Iron and Steel Co. Ltd.	Guarantee Agreement dt. 26-6-56 between the President of India and the I.B.R.D.	Do.	4¾%	35,71,43	32,27,00	Do.	

	Do.	Do.	Guarantee Agreement dated 20-11-57 between the President of India and the I.B.R.D.	Do.	6%	15,47,62	14,04,76	Do.	..
61	Do.	Neyveli Lignite Corporation Ltd.	Agreement dated 9-11-57 between the Govt. of India & the Govt of U.S.S.R.	Guarantee given in consideration of the State Bank of India issuing a letter of authority on the State Bank of U.S.S.R.	Nil	5,82,16	2,13,25	..	..
62	Do.	Hindustan Steel Ltd. Ranchi.	Letter No. BGT (1)-2/59 dated 4-1-60.	Guarantee for over draft arrangement with the State Bank of India.	4½% per annum.	11,50,00	11,50,00	Hindustan Steel Ltd. is a cent percent Govt. owned undertaking.	..
63	Do.	Hindustan Steel Limited.	..	Full and timely payment by Hindustan Steel Ltd. of its payment obligations in respect of Rourkela Steel Plant.	..	32,60,43	11,88,28	Do.	..

1	2	3	4	5	6	7	8	9	10
64	Do.	M/s. Bolani Ores (P) Ltd.	The Guarantee has been executed with the State Bank of India vide Min. of Fin. U.O. No. IS2-238/58 dated 30-11-58.	The guarantee is for Rs. 50 lakhs and is for payment by Govt. to the State Bank of India, Calcutta the principal and interest in case of default by M/s Bolani Ores (P) Ltd.	6½%	50,00	50,00	As guarantor the Govt. under the Contract Act would automatically be entitled to claim all rights and benefits against the Company.	Govt. of India own 50·5 percent of the share capital of the Company.
	Do.	Do.	Do. Vide Min. of Fin. U.O. No. IS-503/60 dated 3-3-60.	The guarantee is for payment by Govt. to the State Bank of India Calcutta, the principal and interest in case of default by M/s. Bolani Ores (P) Ltd.	6½%	30,00	30,00	Do.	Do.
65	Ministry of Transport & Communications (Deptt. of Transport).	Western shipping Corporation Ltd.	Govt. of India Ministry of Transport Resolution dated 20th February, 1960.	In respect of cash credit of Rs. 288 lakhs by the State Bank of India for purchase of shares of the Mogul Line Ltd.	4½% p.a. 30-9-60 5% p.a. 1-10-60	2,88,00	2,88,00	Nil	State Bank 9f India letter No. 17249 Dtd. 29-9-60. A demand pro-note dated 19-2-60 for the sum of Rs. 2,88,00,000 has been executed by the Corporation in favour of the President of India.

	Do.	Do.	The Govt. of India Min. of Finance No. 11 (14)EF(EXIM) 58 Dtd. 20-4-59.	The Govt. of India guaranteed as primarily obligor and not as surety the due and punctual payment of of Principal and interest and other charges on loan of Japanese Yen 8,15,500,000 obtained by the Corporation from the EXIM Bank Japan.	5¾% p.a. on 1st April/1st October.	1,08,00	1,08,00	Nil	Principal is payable in 15 semi-annual instalments as per Article IV included in the loan agreement commencing on April, 15, 1962.
66	Do.	Eastern Shipping Corporation Ltd.	Guarantee dated 8-10-60 from Ministry of Transport.	Loan of Rs. 50,25,000 equivalent to Shs. 75,00,000 in East African currency for part financing the purchase of m.v. "Sonata". Repayment within 7 years in Indian Rupees.	5¾ per cent p.a. on Rupee equivalent.	50,25	50,25	Nil.	A Demand Promote dated 8-10-60 for the sum of Rs. 50,25,000 has been executed by the Corporation in favour of the President of India.
67	Do.	Hindustan Shipyard.	Deptt. of Transport letter No. SY-4(37) 57, dated 14-11-57.	Payment of principal, interest and other charges	Prevailling State Bank of India rate subject to a minimum of 4½%.	3,50,00	69,48	Promissory Note dated 12-11-57 for Rs. 3,50,00,000.	This is a cash credit arrangement with the State Bank of India, to provide working capital to the Hindustan Shipyard Ltd. The Company have executed

1	2	3	4	5	6	7	8	9	10
						Rs.	Rs.		
									a promissory note in favour of the President of India for the amount guaranteed. The promissory note has been endorsed to the State Bank of India.
68	Do. (Deptt of Communications and Civil Aviation)	Air India International Corporation.	Guarantee Agreement dated 5-3-57 between the President of India and International Bank for Reconstruction and Development.	Payment of principal, interest and other charges as per Loan agreement between the borrower and I.B.R.D. referred to in guarantee agreement.	5½ percent	2,66,67	2,66,67	..	
	Do.	Do.	Guarantee agreement dated 28-5-57 between the President of India and the five commercial banks of U.S.A.	Payment of principal, interest and other charges as per credit Agreement dated 31-1-57 between the A. I. I. and five American banks.	5%	5,33,33	4,53,33	..	

	Do.	Do.	Guaranteed under Section 27 of Air Corporations Act, 1953.	Repayment of principal of and payment of interest on Air India International Corporation Bonds 1953-58.	3½%	2,54,00	1	..	The liability under the agreement has since been discharged except for a few bonds of the principal amount of Rs. 1000 which remained unredeemed till 13-5-60.
	Do.	Do.	Guarantee Agreement dated 20-5-60 between the Govt. of India and the 5 U.S. Commercial Banks.	The Govt. of India have guaranteed the due and punctual payment of the principal of and interest on the loan.	6%	57,33	57,33	..	The loan has been fully drawn.
69	Do.	Indian Airlines Corporation.	Ministry of Transport letter No. 9-CA(22)/60, dated 7-10-60.	The Govt. of India have guaranted payment of all instalments by the Indian Airlines Corporation, as and when they become due as stipulated in Article 3 of the Contract entered into for supply of five Fokker F-27 (Friendship) aircraft and connected spares & equipment.	..	2,10,09	1,02,22	..	Against the sums guarantted by Govt., payments to the extent of DFL 7,705,206 were made upto 20-12-60.

1	2	3	4	5	6	7	8	9	10
	Do.	Do.	Guaranteed under Section 27, of Air Corporations Act, 1953.	Repayment of principal of and interest on 3½% Indian Airlines Corporation Bonds, 1953-58.	3½%	22,62,31 and interest accruing thereon.	1,06	..	..
	Do.	Do.	Guarantee given vide Min. of T & C (Deptt. of Communications & Civil Aviation) letter No. 9-CA(22)/60, dated 7-10-60.	The Govt. of India have guaranteed the payment of all instalments by I.A.C. for supply of spare engines and spare parts to M/s. Rolls Royce Ltd. Derby, England as stipulated in clause 2 of the contract dated 22-6-60 entered into between I.A.C. & M/s. Rolls Royce Ltd.	..	9,65	8,20	..	A sum of £10,584-14-4 was paid upto 20-12-60.
70	Do. (Deptt. of Transport).	Calcutta Port Commissioners.	Guarantee Agreement dated 25-6-58 between the President of India and the I.B.R.D.	Payment of principal, interest and other charges, as per loan agreement between the borrower and the I.B.R.D.	5½%	13,80,95	4,07,82	..	..

71	Do.	Madras Port Trust.	Do.	Do.	5½%	6,66,67	1,65,85	..	..
72	Delhi Administration.	Punjab Financial Corporation.	Agreement dated 14-10-57 to enable the Punjab Govt. to extend its jurisdiction to serve the needs of the Union Territory of Delhi.	Guarantee liability of the President for the repayment of paid up share capital of the Corporation and for the payment of annual dividend at the maximum rate of 3% will be in the proportion of 2 : 1 between Punjab Govt. and the Union Territory of Delhi (shares held by Punjab Govt. being 27,937 shares of Rs. 100 each and Govt. of India shares being 13,885 of Rs. 100 each).	3%	33,33	..	..	..

ANNEXURE XXI

Statement showing contributions to International bodies

(In thousands of Rupees)

Name of Organisation	Nature and purpose of contribution	Actuals, 1959-60	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
MINISTRY OF COMMERCE AND INDUSTRY					
1. International Customs Tariff Bureau.	Annual Contribution	28	28	29	29
2. International Cotton Advisory Committee, Washington.	Do. . .	20	20	19	19
3. General Agreement on Tariff and Trade.	Contribution to working expenses of the contracting parties.	46	55	55	81
4. International Tin Council.	Annual Contribution	16	21	17	15
5. International Study Group for Copper, Lead and Zinc.	Do. . .	..	7	6	7
6. International Convention for the Protection of Industrial Property Act.	Do. . .	..	10	..	10
7. International Organisation of Legal Metrology . . .	Do. . .	9	9	18	9
	TOTAL .	1,19	1,50	1,44	1,70
MINISTRY OF EDUCATION					
8. U.N.E.S.C.O. . .	Annual Contribution	13,28	13,30	13,30	13,30
9. Royal Asiatic Society	Do. . .	3	3	3	3
10. UNESCO Research Centre on social implications of industrialisation in South Asia.	Do. . .	1,60	1,66	1,66	1,66
11. Commonwealth Education Liaison Unit.	Do. .	..	..	..	31
	TOTAL . .	14,91	14,99	14,99	15,30
MINISTRY OF EXTERNAL AFFAIRS					
12. United Nations Organisation.	Annual Contribution	42,36	74,29	70,78	82,00
13. Commonwealth Economic Committee.	Do. . .	76	1,59	1,59	1,33
14. International Bureau of Permanent Court of Arbitration.	Do. . .	5	6	6	6
15. United Nations Emergency Force.	Do. . .	..	84,23	99,62	68,81

(In thousands of Rupees)

Name of Organisation	Nature and purpose of contribution	Actuals, 1959-60	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
	MINISTRY OF EXTERNAL AFFAIRS—*Concld.*				
16. Asian African Legal Consultative Committee.	Annual Contribution	7	16	15	12
17. United Nations Relief and Works Agency.	Contribution towards relief programme for Palestine Refugees.	1,12	1,00	1,00	1,00
	TOTAL .	44,36	1,61,33	1,73,20	1,53,32
	MINISTRY OF FINANCE				
18. United Nations Expanded Programme.	Annual Contribution	25,00	25,00	35,71	35,71
19. United Nations Technical Assistance Board	Contribution towards expenses of the Resident Representative.	98	1,05	1,22	1,08
20. U. N. Special Projects Fund.	Annual Contribution	23,81	48,00	83,33	83,33
	TOTAL .	49,79	74,05	1,20,26	1,20,12
	MINISTRY OF FOOD AND AGRICULTURE				
21. Commonwealth Agricultural Bureau.	Annual Contribution	1,49	1,50	1,50	1,50
22. Food and Agricultural Organisation of the United Nations.	Do. . .	15,58	14,19	14,13	14,13
23. International Wheat Council.	Do. . .	10	10	12	12
24. International Dairy Federation.	Do. . .	6	6	6	6
25. United Nations International Children's Emergency Fund.	Contribution towards general resources.	7,00	7,00	7,43	7,00
26. Food & Agricultural Organisation	Contribution for Desert Locust Control.	..	1,41	1,41	1,41
	TOTAL .	24,23	24,26	24,65	24,22
	MINISTRY OF HEALTH				
27. World Health Organisation.	Annual Contribution	20,01	25,82	15,00	25,28
Do.	Contribution towards Malaria Eradication Special Account.	1,00	1,50	1,00	1,00
Do.	Special Contribution for 14th World Health Assembly Session.	..	12,00	11,19	..
28. Union International Centre, Le Cancer, Paris.	Annual Contribution	1	1	3	3
29. London School of Hygiene and Tropical Medicine.	Do. . .	1	1	1	2
30. International Committee of the Red Cross.	Do. . .	75	75	75	75
31. League of Red Cross Societies, Geneva.	Do. . .	75	75	75	75

(In thousands of Rupees)

Name of Organisation	Nature and purpose of contribution	Actuals, 1959-60	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
	MINISTRY OF HEALTH—*concld.*				
32. United Nations International Children's Emergency Fund.	Annual Contribution	16,00	16,00	16,00	16,00
33. International Union against the venereal diseases and the Treponematoses.	Do. . .	..	1	1	1
	TOTAL .	38,53	56,85	44,74	43,84
	MINISTRY OF HOME AFFAIRS				
34. International Criminal Police Commission	Annual Contribtuion	15	15	15	15
	TOTAL .	15	15	15	15
	MINISTRY OF IRRIGATION AND POWER				
35. World Power Conference.	Annual Contribution	1	1	1	1
36. International Commission on Large Dams.	Do. . .	3	3	3	3
37. International Commission on Irrigation and Drainage.	Do. . .	3	13	13	3
	TOTAL .	7	17	17	7
	MINISTRY OF LABOUR AND EMPLOYMENT				
38. International Labour Organisation.	Annual Contribution	11,68	14,15	18,95	15,29
	MINISTRY OF SCIENTIFIC RESEARCH AND CULTURAL AFFAIRS				
39. International Copyright Union for the Protection of Literary and Artistic Works, Berne.	Annual Contribution	7	7	7	14
40. International Scientific Union.	Do. . .	93	98	98	1,00
41. Commonwealth Commission on Geology and Mineral Resources	Do. . .	3	7	7	7
42. Commonwealth Education Liaison Unit.	Contribution	..	26	26	..
43. International Association for the exchange of students for technical experience.		..	1	..	1
	TOTAL	1,03	1,39	1,38	1,22

(In thousands of Rupees)

Name of Organisation	Nature and purpose of contribution	Actuals, 1959-60	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
	MINISTRY OF TRANSPORT AND COMMUNICATIONS				
44. International Union of Offiicial Travel Organisations, Geneva.	Annual Contribution .	9	4	4	5
45. Pacific Area Travel Association.	Do. . .	26	26	26	26
46. South Asian and Travel Commission.	Do. . .	..	2	1	1
47. International Civil Aviation Organisation.	Do. .	5,05	5 17	4,77	4,98
48. International Telecommunications Union, Geneva.	Contribution towards ordinary expenses for participating in Conferences and for cost of Publications.	4,20	3,67	7,10	5,94
49. International Meteorological Organisation.	Annual Contribution	1,44	90	90	90
50. Commonwealth Shipping Committee.	Do. .	2	2	2	2
51. Institute of Navigation, London	Contribution . .	..	. 1	1	1
52. Inter - Governmental Maritime Consultative Organisation.	Contribution	..	..	27	25
53. International Association of lighthouse Authorities.	Membership fee	2	2	2	2
	TOTAL	11,08	10,11	13,40	12,44
	DEPARTMENT OF ATOMIC ENERGY				
54. International Atomic Energy Agency.	Contribution to the budget of the Agency according to scale fixed.	4,62	9,59	7,94	8,30
55. Subscription to the International Mathematical Union.	Annual Subscr ption	2	1	1	1
56. Project Dragon.	Contribution	..	..	..	1,00
	TOTAL	4,64	9,60	7,95	9,31
	LOK SABHA				
57. Inter - Parliamentary Union, Association of Secretaries General of Parliamentary and Common wealth Parliamentary Association.	Annual Contribution	33	41	,41	42
	GRAND TOTAL	2,01,99	3.68,96	4,21,69	3,97,40

ANNEXURE

INCOME-TAX PAYABLE AS

Statement showing in selected cases tax payable and as a percentage of

Income	Tax at 1961-62 rates on Total Income							
	MARRIED PERSONS				MARRIED WITH ONE CHILD			
	Wholly earned	Percentage	Wholly unearned	Percentage	Wholly earned	Percentage	Wholly unearned	Percentage
1	2	3	4	5	6	7	8	9
Rs.	Rs.		Rs.		Rs.		Rs.	
3,000	..	..	..	..	..	..	..	..
3,200	6	0·2	6	0·2	..	..	..	..
3,600	18	0·5	18	0·5	9	0·2	9	0·2
4,200	36	0·9	36	0·9	27	0·6	27	0.6
4,800	54	1·1	54	1·1	45	0·9	45	0·9
5,000	60	1·2	60	1·2	51	1·0	51	1·0
6,000	120	2·0	120	2·0	111	1·8	111	1·8
7,200	192	2·7	192	2·7	183	2·5	183	2·5
8,400	305	3·6	349	4·2	296	3·5	338	4·0
9,600	419	4·4	479	5·0	409	4·3	468	4·9
10,000	457	4·6	522	5·2	447	4·4	510	5·1
12,000	688	5·7	786	6·5	678	5·6	775	6·5
13,200	848	6·4	970	7·3	839	6·4	959	7·3
14,400	1,025	7·1	1,171	8·1	1,015	7·0	1,160	8·1
15,000	1,113	7·4	1,272	8·5	1,103	7·4	1,261	8.4
16,800	1,453	8·6	1,661	9·9	1,444	8·6	1,650	9·8
18,000	1,680	9·3	1,920	10·7	1,670	9·3	1,909	10·6
20,000	2,058	10·3	2,352	11·8	2,048	10·2	2,341	11·7
24,000	3,381	14·1	3,864	16·1	3,381	14·1	3,864	16·1
25,000	3,696	14·8	4,224	16·9	3,696	14·8	4,224	16·9
30,000	5,796	19·3	6,624	22·1	5,796	19·3	6,624	22·1
36,000	8,631	24·0	9,864	27·4	8,631	24·0	9,864	27.4
40,000	10,521	26·3	12,024	30·1	10,521	26·3	12,024	30.1
42,000	11,676	27·8	13,344	31·8	11,676	27·8	13,344	31.8
45,000	13,408	29·8	15,324	34·1	13,408	29·8	15,324	34.1
48,000	15,141	31·5	17,304	36·0	15,141	31·5	17,304	36.0
55,000	19,446	35·4	22,224	40·4	19,446	35·4	22,224	40.4
60,000	22,596	37·7	25,824	43·0	22,596	37·7	25,824	43·0
66,000	26,691	40·4	30,504	46·2	26,691	40·4	30,504	46·2
70,000	29,421	42·0	33,624	48·0	29,421	42·0	33,624	48·0
72,000	30,891	42·9	35,304	49·0	30,891	42·9	35,304	49·0
84,000	39,711	47·3	45,384	54·0	39,711	47·3	45,384	54·0
85,000	40,446	47·6	46,224	54·4	40,446	47·6	46,224	54·4
90,000	44,121	49·0	50,424	56·0	44,121	49·0	50,424	56·0
96,000	48,531	50·6	55,464	57·8	48,531	50·6	55,464	57·8
1,00,000	51,471	51·5	58,824	58·8	51,471	51·5	58,824	58·8
1,50,000	91,721	61·1	1,00,824	67·2	91,721	61·1	1,00,824	67·2
2,00,000	1,31,971	65·9	1,42,824	71·4	1,31,971	65·9	1,42,824	71·4
2,50,000	1,72,221	68·9	1,84,824	73·9	1,72,221	68·9	1,84,824	73·9
3,00,000	2,12,471	70·8	2,26,824	75·6	2,12,471	70·8	2,26,824	75·6
3,50,000	2,52,721	72·2	2,68,824	76·8	2,52,721	72·2	2,68,824	76·8
4,00,000	2,92,971	73·2	3,10,824	77·7	2,92,971	73·2	3,10,824	77·7
5,00,000	3,73,471	74·7	3,94,824	79·0	3,73,471	74·7	3,94,824	79·0
10,00,000	7,75,971	77·6	8,14,824	81·5	7,75,971	77·6	8,14,824	81·5
20,00,000	15,80,971	79·0	16,54,824	82·7	15,80,971	79·0	16,54,824	82·7
30,00,000	23,85,971	79·5	24,94,824	83·2	23,85,971	79·5	24,94,824	83·2

N.B.—For Hindu undivided families the amount of tax and percentages are also as shown not more than Rs. 6,000 if there are at least two members entitled to claim partition.

XXII

PERCENTAGE OF TOTAL INCOME

income on incomes ranging from Rs. 3,000 to Rs. 30,00,000

Tax at 1961-62 rates on Total Income								
MARRIED WITH MORE THAN ONE CHILD				UNMARRIED				Income
Wholly earned	Percentage	Wholly unearned	Percentage	Wholly earned	Percentage	Wholly unearned	Percentage	
10 Rs.	11	12 Rs.	13	14 Rs.	15	16 Rs.	17	18 Rs.
..	..	..	..	..	..	..	..	3,000
..	..	..	..	66	2.1	66	2.1	3,200
..	..	..	..	78	2.2	78	2.2	3,600
18	0·4	18	0·4	96	2.3	96	2·3	4,200
36	0·7	36	0·7	114	2.4	114	2.4	4,800
42	0·8	42	0·8	120	2.4	120	2.4	5,000
102	1·7	102	1·7	180	3.0	180	3.0	6,000
174	2·4	174	2·4	252	3.5	252	3.5	7,200
287	3·4	328	3·9	369	4.4	421	5.0	8,400
400	4·2	457	4·7	482	5·0	551	5.7	9,600
438	4·3	500	5·0	520	5.2	594	5.9	10,000
669	5·6	764	6·4	751	6.3	858	7.1	12,000
829	6·3	948	7·2	911	7.0	1,042	7.9	13,200
1,006	7·0	1,150	8·0	1,088	7·6	1,243	8·6	14,400
1,094	7·3	1,250	8·3	1,176	7.8	1,344	9·0	15,000
1,434	8·5	1,639	9·8	1,516	9·0	1,733	10·3	16,800
1.661	9·2	1,898	10·5	1,743	9·7	1,992	11.1	18,000
2,039	10·2	2,330	11·6	2,121	10.6	2,424	12.1	20,000
3,381	14·1	3,864	16·1	3,381	14·1	3,864	16.1	24,000
3,696	14·8	4,224	16·9	3,696	14·8	4,224	16.9	25,000
5,796	19·3	6,624	22·1	5,796	19·3	6,624	22.1	30,000
8,621	24·0	9,864	27·4	8,631	24·0	9,864	27.4	36,000
10,521	26·3	12,024	30·1	10,521	26·3	12,024	30.1	40,000
11,676	27·8	13,344	31·8	11,676	27·8	13,344	31.8	42,000
13,408	29·8	15,324	34·1	13,408	29.8	15,324	34.1	45,000
15,141	31·5	17,304	36·0	15,141	31·5	17,304	36.0	48,000
19,446	35·4	22,224	40·4	19,446	35·4	22,224	40.4	55,000
22,596	37·7	25,824	43·0	22,596	37·7	25,824	43.0	60,000
26,691	40·4	30,504	46·2	26,691	40·4	30,504	46.2	66,000
29,421	42·0	33,624	48·0	29,421	42.0	33,624	48.0	70,000
30,891	42·9	35,304	49·0	30,891	42.9	35,304	49.0	72,000
39,711	47·3	45,384	54·0	39,711	47·3	45,384	54·0	84,000
40,446	47·6	46,224	54·4	40,446	47.6	46,224	54·4	85,000
44,121	49·0	50,424	56·0	44,121	49.0	50,424	56.0	90,000
48,531	50·6	55,464	57·8	48,531	50.6	55,464	57.8	96,000
51.471	51·5	58,824	58·8	51,471	51·5	58,824	58.8	1,00,000
91,721	61·1	1,00,824	67·2	91,721	61.1	1,00,824	67·2	1,50,000
1,31,971	65·9	1,42.824	71·4	1,31,971	65.9	1,42,824	71·4	2,00,000
1,72,221	68·9	1,84,824	73·9	1,72,221	68.9	1,84,824	73·9	2,50,000
2,12,471	70·8	2,26,824	75·6	2,12,471	70.8	2,26,824	75·6	3,00,000
2,52,721	72·2	2,68,824	76·8	2,52,721	72.2	2,68,824	76.8	3,50,000
2,92,971	73·2	3,10,824	77·7	2,92,971	73.2	3,10,824	77.7	4,00,000
3,73,471	74·7	3,94,824	79·0	3,73,471	74·7	3,94,824	79.0	5,00,000
7,75,971	77·6	8,14,824	81·5	7,75,971	77.6	8,14,824	81·5	10,00,000
15,80,971	79·0	16,54,824	82·7	15,80,971	79.0	16,54,824	82.7	20,00,000
23,85,971	79·5	24,94,824	83·2	23,85,971	79·5	24,94,824	83.2	30,00,000

for 'married persons' above except that such families are not liable to pay tax if the income is

ANNEXURE

SUMMARY OF

(In crores of Rupees)

RECEIPTS	Accounts, 1955-56	Accounts, 1956-57	Accounts, 1957-58	Accounts, 1958-59	Accounts, 1959-60	Revised, 1960-61	Budget 1961-62
1. Revenue Surplus	40·45	89·40	42·05	..	42·55	..	..
2. Rupee Loans raised	103·68	157·74	136·17	501·91	378·97	243·20	235·00
3. Special Floating Loan issued	..	..	..	..	71·43	3·45	3·45
4. Net sales from Cash Balance Investment Account	20·46	..	·05	·08	·97	1·29	1·99
5. Other Loans	2·67	10·84	32·47	197·25	186·98	280·64	385·95
6. Small Savings (Net)	66·55	59·01	69·45	78·21	82·87	100·00	105·00
7. Repayment of Loans by—							
(*a*) States	25·22	34·60	61·40	61·93	80 85	106·54	121·48
(*b*) Others	8.10	7·49	13·28	20·78	24·08	27·99	54·51
8. Railway Funds—							
(*a*) Depreciation Reserve.	48·68	47·68	49·38	48·40	47·96	46·79	66 48
(*b*) Revenue Reserve	8·51	1·53	1·70	1·09	1·90	1·85	1·80
(*c*) Development	7·57	20·64	13·64	19·10	35·13	17·84	32·37
9. Treasury Bills (Net)	123·38	240·45	459·43	—69·80	72·28	—35·00	125·00
10. Investment of Deposits of U.S. Govt. Counter Part Funds.	..	..	..	..	..	240·00	96.00
11. Other debt heads (Net).	46·39	65·63	51·83	71·83	83·32	195·78	210·74
12. Opening Balance	32·23	—4.65	50.96	52·11	34·87	69·69	50·39
TOTAL	533·89	730·36	981.81	982·89	1144·16	1300·06	1490·16

XXIII

WAYS AND MEANS

(In crores of Rupees)

DISBURSEMENTS	Accounts, 1955-56	Accounts, 1956-57	Accounts, 1957-58	Accounts, 1958-59	Accounts, 1959-60	Revised, 1960-61	Budget, 1961-62
1. Revenue Deficit	..	..	..	5.25	..	33·66	60.60
2. Capital Expenditure—							
(*a*) Defence .	17·59	19·70	22·93	27.88	36·11	36·25	32·01
(*b*) Railways .	67·52	107·38	151·90	125.82	74·69	123·62	160·00
(*c*) Others .	42·25	147·43	256·73	248.16	246·71	332·73	336·86
3. Loans by Central Government to—							
(*a*) States .	248·87	198·32	275·98	293.90	275·47	334·60	395·18
(*b*) Others .	32·01	56·90	58·33	106.27	217·73	159·23	161.25
4. Discharge of debt	72·29	83·23	74·68	31.96	129·88	129·58	167·31
5. Net purchase in Cash Balance Investment Account	..	2·89	..	..	..	..	..
6. Drawal from Railway Funds—							
(*a*) Depreciation Reserve.	45·89	43·79	63·62	80.72	68·36	69·96	65·00
(*b*) Revenue Reserve.	—·02	..	..	..	..	—·03	8·57
(*c*) Development	12·14	19·85	25·53	28.06	25·54	30·07	53·19
7. Closing Balance	—4·65	50·96	52.11	34.87	69·67	50·39	50·19
TOTAL	533·89	730·36	981·81	982.89	1144.16	1300·06	1490·16

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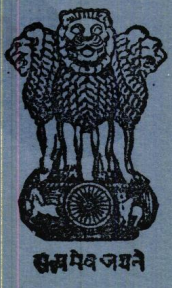
GOVERNMENT OF INDIA



AN ECONOMIC CLASSIFICATION

of the

CENTRAL GOVERNMENT

BUDGET

for

1961-62

(As laid before the Parliament)

PRINTED IN INDIA BY THE GENERAL MANAGER,
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PREFACE

The Central Budget consisting of the Financial Statement and the Demands for Grants for the various Ministries is presented in a form designed to facilitate parliamentary scrutiny and authorisation of expenditures and revenue proposals for the year. While the budget has to follow the well-established practice and pattern, there is need for supplementing that presentation with an economic classification that brings out the economic impact of the budgetary operations of the Central Government.

2. The Economic Classification prepared, as usual, in the Economic Division, follows the technique of national accounting and groups together similar types of transactions of the Central Government after eliminating all accounting transfers. The classification attempted here covers only the budgets of the Central Government and the Departmental Commercial Undertakings like the Railways, Posts and Telegraphs etc. With further data built up from the budgets of the State Governments and the industrial and commercial undertakings of the Government operated by public corporations or companies, the classification can be used for estimating income generation and investment by the public sector and linked up with the national accounts of the economy as a whole.

3. Section III of this study analyses the main results of this re-classification. The subject matter of the study is a highly technical one, and the detailed accounts may be of interest only to the specialist. Certain broad conclusions are, however, of general interest. The study shows, for example, that the budgetary operations of the Central Government are expected to result in a generation of income in the economy of Rs. 676 crores in 1961-62. This compares with Rs. 472 crores which could be regarded as flowing from the Central budget in 1956-57. In other words, the public sector has been playing an increasing part in adding to the flow of national income. Secondly, the budgetary resources allocated by the Central Government for net capital formation have been rising progressively. For 1961-62, the estimated amount is Rs. 977 crores or 50 per cent of the total expenditure; this is Rs. 83 crores more than in 1960-61 and Rs. 268 crores more than in 1959-60. The net "savings" of the Central Government to finance this investment are expected to be Rs. 29 crores for 1961-62. This leaves a large gap, which has to be met by drawings on private savings through loans, small savings, provident funds and the like and by securing external assistance.

L. K. JHA,
Secretary to the Government of India.

Ministry of Finance;
New Delhi, 7th March, 1961.

INTRODUCTION

This brochure attempts an economic classification of the Central Government Budget for 1961-62 as laid before Parliament on the 28th February, 1961. The classification presented here follows the pattern of the previous publications. It eliminates all inter-account and inter-departmental transfers and brings out the genuine transactions of the Central Government with the rest of the economy. The latter covers all entities other than the Central Government and includes the State Governments, the local bodies, the Central and State Government undertakings which are run as autonomous corporations or companies, and individuals and institutions in the private sector.

2. Central Government transactions have been classified and grouped on the basis of a series of distinctions useful for analysing their economic impact. Current transactions are distinguished from capital transactions and under both, transactions in goods and services are separated from transfers. Current transactions of Government as an administrative entity are distinguished from the current operations of departmental commercial undertakings as current expenditures of the former on wages and salaries and goods and services are final outlays but those of the latter are not. Purely financial transactions are again isolated from transactions in goods and services and transfers. The budgetary data so reclassified are tabulated in a set of six accounts each delineating a distinct aspect of the operations of the Central Government. The nature of the accounts, their coverage, derivation and treatment of the items included and the assumptions underlying these are explained in the Appendix.

II. The Set of Accounts

3. The six Accounts incorporating the reclassified budgetary data for 1961-62 are set out below:

CENTRAL GOVERNMENT

ACCOUNT 1.—*Transactions in commodities and services and transfers:*

Current Account of Government Administration.

(Rs. crores)

Expenditure	1959-60 Accounts	1960-61 Revised	1961-62 Budget	Revenue	1959-60 Accounts	1960-61 Revised	1961-62 Budget
1. *Consumption expenditure*	*423·6*	*486·3*	*509·7*	5. *Tax receipts :*	*641·5*	*684·3*	*767·1*
1·1 Wages and salaries	203·1	244·2	260·1	5·1 Taxes on income and wealth	188·8	186·1	200·8
1·2 Commodities and services	220·5	242·1	249·6	5·2 Taxes on commodities and transactions	451·9	497·3	565·5
				5·3 Tax on expenditure	0·8	0·9	0·8
2. *Transfer payments*	*365·4*	*447·3*	*467·0*	6. *Income from property and enterprise*	*138·9*	*171·3*	*194·6*
2·1 Interest	112·3	127·7	147·0	6·1 Profits transferred by departmental commercial undertakings	15·1	10·5	23·8
2·2 Grants—				6·2 Profits transfered by non-departmental commercial undertakings.	1·0	3·0	3·6
(*a*) To States	154·6	200·5	198·7	6·3 Profits of the Reserve Bank	40·0	40·0	42·5
(*b*) To others	47·4	48·0	63·7	6·4 Trading Profits	20·8	35·9	33·8
(*c*) To Local authorities	8·5	9·6	13·0	6·5 Interest receipts			
2·3 Other current transfers—				(*a*) From States	49·3	62·1	71·7
(*a*) Subsidies	18·4	37·5	16·5	(*b*) From others	9·5	16·4	15·4
(*b*) Pensions	14·3	14·7	18·2	6·6 Other income from property	3·2	3·4	3·8
(*c*) Others	9·9	9·3	9·9				
3. *Savings on current account*	*49·3*	*—25·1*	*35·4*	7. *Fees and miscellaneous receipts*	*57·9*	*52·9*	*50·4*
4. TOTAL	838·3	908·5	1012·1	8. TOTAL	838·3	908·5	1012·1

CENTRAL GOVERNMENT

ACCOUNT 2.—*Transactions in commodities and services and transfers :*

Current Account of departmental commercial undertakings

(Rs. crores)

Expenditure	1959-60 Accounts	1960-61 Revised	1961-62 Budget	Revenue	1959-60 Accounts	1960-61 Revised	1961-62 Budget
1. Wages and salaries	160·1	184·1	186·4	10. Gross sale proceeds	*505·3*	*551·2*	*596·3*
2. Pension payments	3·9	4·1	4·1	(*a*) Railways	423·6	459·9	499·4
3. Commodities and services	93·8	105·8	114·6	(*b*) Posts and Telegraphs	70·4	76·9	81·0
4. Repairs and maintenance	*97·6*	*109·3*	*113·4*	(*c*) Others	11·3	14·4	15·9
(*a*) Wages and salaries	48·8	54·6	56·7	11. Interest receipts	4·7	3·6	3·5
(*b*) Commodities and services	48·8	54·7	56·7				
5. Interest	53·8	56·5	61·7				
6. Provision for depreciation	52·3	53·6	72·9				
7. Profits transferred to current account of Government (administration)	15·1	10·5	23·8				
8. Retained profits of departmental commercial undertakings	33·4	30·9	22·9				
9. TOTAL	510·0	554·8	599·8	12. TOTAL	510·0	554·8	599·8

ACCOUNT 3.—*Transactions in commodities and services and transfers :*

Capital Account of Government Administration and departmental commercial undertakings

(Rs. crores)

Disbursements	1959-60 Accounts	1960-61 Revised	1961-62 Budget	Receipts	1959-60 Accounts	1960-61 Revised	1961-62 Budget
1. *Gross fixed capital formation*	*269·5*	*349·7*	*390·8*	5. *Gross savings*	*135·0*	*59·4*	*131·2*
1·1 Buildings and other construction				5·1 Savings on current account (administration)	49·3	—25·1	35·4
(*a*) New outlay	118·8	177·1	202·9	5·2 Retained profits of departmental commercial undertakings	33·4	30·9	22·9
(*b*) Renewals and replacements	71·6	73·5	77·0	5·3 Depreciation provision	52·3	93·6	72·9
1·2 Machinery and equipment							
(*a*) New outlay	52·7	69·1	86·1				
(*b*) Renewals and replacements	26·4	30·0	24·8				
2. *Increase in Inventories*	*—25·6*	*36·4*	*34·1*				
2·1 Works stores	—34·5	—21·1	—8·8				
2·2 Stocks of food, steel, etc.	8·9	57·5	42·9				
3. *Capital transfers*	*56·5*	*72·4*	*78·0*	6. *Capital transfers*	*39·5*	*31·9*	*36·4*
3·1 Grants for capital formation				6·1 Gift tax and estate duty	1·0	0·9	0·9
(*a*) To States	27·9	29·9	24·4	6·2 Foreign Grants	38·5	31·0	35·5
(*b*) To non-departmental commercial undertakings	20·1	26·3	33·5				
(*c*) To Local authorities	0·1	1·4	2·8				
(*d*) To others	2·9	3·0	3·8				
3·2 Gratuities and commuted value of pensions	1·3	1·6	2·4	7. *Balance : Deficit on all transactions in commodities and services and transfers*	*125·9*	*367·2*	*335·3*
3·3 Compensation paid to displaced persons	4·2	1·9	2·8				
3·4 Other Capital transfers	—	8·3	8·3				
4. TOTAL	300·4	458·5	502·9	8. TOTAL	300·4	458·5	502·9

CENTRAL GOVERNMENT

ACCOUNT 4.—*Changes in financial assets :*

Capital Account of Government Administration and departmental commercial undertakings

(Rs. crores)

Outgoings	1959-60 Accounts	1960-61 Revised	1961-62 Budget	Incomings	1959-60 Accounts	1960-61 Revised	1961-62 Budget
1. *Investments in shares*	*49·7*	*80·6*	*79·0*				
1·1 Of Government concerns	46·5	76·8	74·2				
1·2 Of other concerns .	3·2	3·8	4·8				
2. *Loans for Capital formation*	*416·9*	*471·0*	*510·3*	7. *Repayment of loans*	*99·1*	*129·7*	*170·3*
2·1 To State Governments .	275·3	326·4	381·8	7. 1 By State Governments	80·8	106·5	121·5
2·2 To local authorities .	5·7	6·2	14·0	7. 2 By others . .	18·3	23·2	48·8
2·3 To non-departmental commercial undertakings	166·9	118·0	101·0				
2·4 To others . . .	14·0	20·4	13·5				
3. *Other loans*	*30·9*	*49·9*	*47·7*	8. *Balance : net increase in financial assets*	*541·5*	*479·0*	*473·2*
3·1 To State Governments .	19·1	29·6	27·4				
3·2 To foreign Governments.	8·7	16·1	12·0				
3·3 To Others . . .	3·1	4·2	8·3				
4. *Subscription to International Monetary Fund & I.D.A.* .	*95·3*	*4·4*	*3·7*				
5. *Net purchase of domestic gold* .	*2·8*	*2·8*	*2·8*				
6. TOTAL . . .	640·6	608·7	643·5	9. TOTAL . .	640·6	608·7	643·5

ACCOUNT 5.—*Changes in financial liabilities :*

Capital Account of Government Administration and departmental commercial undertakings.

(Rs. crores)

Outgoings	1959-60 Accounts	1960-61 Revised	1961-62 Budget	Incomings	1959-60 Accounts	1960-61 Revised	1961-62 Budget
1. *Repayment of long-term rupee debt*	*117·0*	*108·6*	*137·0*	5. *Long-term rupee debt*	*378·9*	*243·2*	*235·0*
				5·1 Market borrowings .	228·9	193·2	235·0
2. *Repayment of foreign debt*	*9·5*	*17·5*	*26·9*	5·2 Funding of Treasury bills	150·0	50·0	..
2·1 Sterling debt . .	..	..	2·0	6. *Foreign debt* . . .	*187·0*	*280·6*	*385·9*
2·2 Dollar debt . .	4·0	4·8	8·8	6·1 Sterling debt . . .	73·1	40·0	0·3
				6·2 Dollar debt . . .	87·1	180·5	199·3
2·3 Other foreign debt .	5·5	12·7	16·1	6·3 Other foreign debt .	26·8	60·1	186·3
				7. *Cash Balance Investment Account (net sales of securities)* .	1·0	1·3	2·0
				8. *Small Savings (net)* . .	82·9	100·0	105·0
				9. *Other unfunded debt (net)* .	23·8	40·6	39·8
				10. *Floating debt (net)* . .	*140·0*	*—35·0*	*64·0*
3. *Balance : net increase in financial liabilities* . . .	*702·2*	*826·9*	*808·2*	10·1 Special treasury bills .	68·0	..	..
				10·2 Other treasury bills .	72·0	—35·0	64·0
				11. *Investment of Deposits of U.S. Govt. Counterpart funds (net)*	..	240·0	96·0
				12. *Other debt (net)* . . .	10·1	77·3	39·4
				13. *Issue of one-rupee notes* .	5·0	5·0	5·0
4. TOTAL . . .	828·7	953·0	972·1	14. TOTAL	828·7	953·0	972·1

CENTRAL GOVERNMENT

ACCOUNT 6.—*Cash and Capital Reconciliation Account of Government Administration and departmental commercial undertakings*

(Rs. crores)

Outgoings	1959-60 Accounts	1960-61 Revised	1961-62 Budget	Incomings	1959-60 Accounts	1960-61 Revised	1961-62 Budget
1. Deficit on all transactions in commodities and services and transfers—Balancing item Account 3	125·9	367·2	335·3				
2. Net increase in financial assets—Balancing item Account 4.	541·5	479·0	473·2	5. Net increase in financial liabilities—Balancing item Account 5	702·2	826·9	808·2
3. Increase in cash balance	34·8	..	..	6. Decrease in cash balance	..	19·3	0·3
4. TOTAL	702·2	846·2	808·5	7. TOTAL	702·2	846·2	808·5

III. Some Significant Magnitudes

4. The system of accounts given above analyses the various aspects of the Central Government's operations *vis-a-vis* the rest of the economy. Some of the significant magnitudes emerging from the analysis are:

(a) Central Government's total expenditure, which represents the aggregate flow-back of funds to the rest of the economy through the various uses to which they are put;

(b) Capital formation out of the budgetary resources of the Central Government;

(c) Savings of the Central Government which together with the savings of the rest of the economy give the total domestic savings;

(d) The various measures of deficit in Central Government's budgetary operations; and

(e) Central Government's contribution to the generation of national income.

*Total Expenditure**

5. The Budget for 1961-62 places the total expenditure of the Central Government at Rs. 1,953 crores. This is Rs. 83 crores higher than the revised estimates for 1960-61 and Rs. 321 crores higher than the actuals for 1959-60. The allocation by major types of expenditure is indicated in the following tables:—

(Rs. crores)

	1959-60 Accounts	1960-61 Revised	1961-62 Budget
1. *Final Outlays* :	*668*	*872*	*935*
(*a*) Government Consumption expenditure (*vide* Acct. 1)	424	486	510
(*b*) Gross capital formation (*vide* Acct. 3)** .	244	386	425
2. *Transfer payments to the rest of the economy* :	*422*	*519*	*545*
(*a*) Current transfers (*vide* Acct. 1) . . .	365	447	467
(*b*) Capital transfers (*vide* Acct. 3) . . .	57	72	78
3. *Financial investments and loans to the rest of the economy (net)* (*vide* Acct. 4)	*542*	*479*	*473*
4. TOTAL EXPENDITURE	*1632*	*1870*	*1953*

*Exclusive of the operating expenses of departmental commercial undertakings.

**Items 1 and 2 in Account 3 taken together.

Final Outlays

6. Of the total expenditure of Rs. 1,953 crores budgeted for the coming year, Rs. 935 crores or 48 per cent constitute final outlays of the Central Government. These outlays represent Central Government's direct demand for goods and services for consumption and capital formation. In a system of national budgeting these final outlays get linked up with the consumption expenditure and capital formation in the rest of the economy.

Transfer Payments, Financial Investments and Loans (net)

7. The rest of the total expenditure amounting to Rs. 1,018 crores or 52 per cent, constitutes disbursements by way of transfer payments, financial investments and loans to the rest of the economy and is intended to supplement its current or capital resources. As shown in para 10 below, quite a sizeable part of this transfer is to assist capital formation by the State Governments, non-departmental commercial undertakings and other agencies.

Gross Capital Formation

8. Of the final outlays of Rs. 935 crores in 1961-62 as much as Rs. 425 crores or 45 per cent is budgeted for gross capital formation by the Central Government. This is Rs. 39 crores higher than the revised estimates for 1960-61 and Rs. 181 crores higher than the actuals in 1959-60.

Net Capital Formation

9. Of Rs. 425 crores or gross capital formation by the Central Government, net capital formation, *i.e.* net addition to the stock of fixed assets and inventories, is budgeted at Rs. 323 crores for 1961-62. For 1960-61 (revised) it works out at Rs. 282 crores and for 1959-60 (Accounts) at Rs. 146 crores. The components of this net capital formation are:

(Rs. crores)

	1959-60 Accounts	1960-61 Revised	1961-62 Budget
1. Construction works (*vide* item 1·1 (*a*) in Acct. 3) .	119	177	203
2. Machinery and Equipment (*vide* item 1·2 (*a*) in Acct. 3)	53	69	86
3. Increase in inventories (*vide* item 2 in Acct. 3) .	—26	36	34
4. Net Capital formation by the Central Government (1+2+3)	*146*	*282*	*323*

Financial Assistance for Net Capital Formation

10. In addition, the Central Government's assistance to the rest of the economy for net capital formation is budgeted for 1961-62 at Rs. 654 crores. This is Rs. 42 crores higher than the level in 1960-61 (Revised)

and Rs. 91 crores higher than the actuals in 1959-60. The allocations of such assistance to the various agencies are indicated below:—

(Rs. crores)

	1959-60 Accounts	1960-61 Revised	1961-62 Budget
1. State Governments (*vide* items 3·1 (*a*) in Acct. 3 and 2·1 in Acct. 4)	303	356	406
2. Non-departmental commercial undertakings (*vide* item 3·1 (*b*) in Acct. 3 and 1·1 and 2·3 in Acct. 4)*	234	221	209
3. Local authorities (*vide* item 3·1 (*c*) in Acct. 3 and 2·2 in Acct. 4)	6	8	17
4. Others (*vide* items 3·1 (d) in Acct. 3 and 1·2, and 2·4 in Acct. 4)	20	27	22
5. Financial assistance for net capital formation (1+2+3+4)	*563*	*612*	*654*

*This is essentially capital formation by the Central Government but as non-departmental commercial undertakings are treated as falling in the rest of the economy in this classification, it is taken as financial assistance for capital formation in the rest of the economy.

Net Capital Formation out of the Budgetary Resources of the Central Government

11. Thus, in aggregate, the Central Government provides Rs. 977 crores for net capital formation out of its budgetary resources during 1961-62. The revised estimates for 1960-61 place it at Rs. 894 crores and the Accounts for 1959-60 at Rs. 709 crores. These aggregates of budgetary resources thus allocated by the Central Government for net capital formation in the economy constitute 50 per cent of the total expenditure budgeted for 1961-62, 48 per cent of the revised estimates for 1960-61 and 43 per cent of the actuals of total expenditure in 1959-60:—

(Rs. crores)

	1959-60 Accounts	1960-61 Revised	1961-62 Budget
1. Net capital formation by the Central Government	146	282	323
2. Financial assistance for net capital formation to the rest of the economy	563	612	654
3. Net Capital formation out of the budgetary resources of the Central Government (1+2)	*709*	*894*	*977*

Net Savings

12. As against the net capital formation, *i.e.*, net investment by the Central Government of Rs. 977 crores in 1961-62, net savings work out to Rs. 29 crores. The revised estimates for 1960-61 are Rs. 44 crores and

the actuals for 1959-60 Rs. 37 crores. Net savings are worked out as follows:—

(Rs. crores)

	1959-60 Accounts	1960-61 Revised	1961-62 Budget
1. Savings of Govt. Administration (*vide* item 5·1 in Acct. 3)	49	—25	35
2. Retained profits of departmental commercial undertakings (*vide*, item 5·2 in Acct. 3)	34	31	23
3. Depreciation provision of departmental commercial undertakings (*vide* item 5·3 in Acct. 3)	52	53	73
4. Gross Savings by Government (*vide*, item 5 in Acct. 3)	*135*	*59*	*131*
Less :			
5. Expenditure on renewals and replacements of departmental commercial undertakings (*vide* items 1·1 (*b*) and 1·2 (*b*) in Acct. 3)	98	103	102
6. Net Savings by Government (4—5)	*37*	*—44*	*29*

13. Savings of Government Administration in the above table represent the surplus out of the current receipts after meeting its consumption expenditure, grants to States and other current transfer payments. For 1961-62 the current receipts of the Central Government are budgeted at Rs. 1,012 crores. The revised estimates for 1960-61 put them at Rs. 909 crores and the Accounts for 1959-60 at Rs. 839 crores. These current receipts are made up of:—

Current Receipts

(Rs. crores)

	1959-60 Accounts	1960-61 Revised	1961-62 Budget
1. Taxation receipts (*vide* item 5 in Acct. 1)	642	684	767
2. Income from enterprise and property (*vide* item 6 in Acct. 1)	139	172	195
3. Fees and miscellaneous receipts (*vide* item 7 in Acct. 1)	58	53	50
4. TOTAL	*839*	*909*	*1012*

14. As against the magnitude of current receipts shown above, current outgoings aggregate to Rs. 977 crores in the budget provisions for 1961-62, Rs. 934 crores in the revised estimates for 1960-61 and Rs. 790

crores for 1959-60. A sizeable part of the total outgoings is accounted for by grants to States. This will be seen from the table below:—

Current Outgoings

(Rs. crores)

	1959-60 Accounts	1960-61 Revised	1961-62 Budget
1. Consumption expenditure (*vide* item 1 in Acct. 1)	424	486	510
2. Grants to States (*vide* item 2·2 (*a*) in Acct. 1)	155	201	199
3. Other transfer payments (*vide* item 2 excluding item 2·2 (*a*) in Acct. 1)	211	247	268
4. TOTAL	*790*	*934*	*977*

15. The income deficit of the Central Government, as measured by the excess of net investment over net savings by the Central Government works out as follows:—

(Rs. crores)

	1959-60 Accounts	1960-61 Revised	1961-62 Budget
1. Net Investment by the Central Government	146	282	323
2. Net Savings by the Central Government	37	—44	29
3. Income deficit of the Central Government (1—2)	*109*	*326*	*294*

16. This deficit represents the gap to be filled up by the Central Government's borrowings at home and external assistance. Another measure of deficit is provided by the sum of the balancing items in Accounts 3 and 4. This deficit denotes the total requirement of finance for Central Government operations and shows a continuously rising trend, as will be seen from table below:—

(Rs. crores)

	1959-60 Accounts	1960-61 Revised	1961-62 Budget
1. Deficit on all transactions in commodities and services and transfers (*vide* balancing item in Acct. 3)	126	367	335
2. Net increase in financial assets (*vide* balancing item in Acct. 4)	542	479	473
3. Deficit denoting total requirement of finance (1+2)	*668*	*846*	*808*

17. The following table sets out the financing of the deficit indicated above:—

(Rs. crores)

	1959-60 Accounts	1960-61 Revised	1961-62 Budget
1. *Net borrowings* :	*567*	*807*	*739*
1·1 market loans (net)*	113	86	100
1·2 external loans (net)	178	263	359
1·3 small savings (net)	83	100	105
1·4 unfunded debt (net)	24	41	40
1·5 Investment of deposits of U.S. Govt. counterpart funds (net)	..	240	96
1·6 other debt (net)	10	77	39
1·7 special treasury bills (net)	86	..	..
1·8 sales of treasury bills to the rest of the economy (net)†	73	..	..
2. '*Deficit financing*' :	*101*	*39*	*69*
2·1 increase in floating debt‡	131	15	64
2·2 issue of one-rupee notes$	5	5	5
2·3 withdrawal from cash balance	—35	19	—
TOTAL	*668*	*846*	*808*

*Includes sale of securities held in Cash Balance Investment Account.

†Denotes sales to State Governments, approved parties and the public. Figures for 1960-61 (Revised) and 1961-62 (Budget) are included in item 2·1 since the break-up of these estimates is not available.

‡Of the outstanding treasury bills Rs. 150 crores in 1959-60 and Rs. 50 crores in 1960-61 were funded into dated securities. The figures of the net change in treasury bills as shown in the Financial Statement are arrived at after adjusting for these savings. No such adjustments are made here. Net increase in *ad-hoc* treasury bills sold to Reserve Bank which constitute s an item of deficit financing is shown here as increase in floating debt.

$This is not treated as an item of deficit in the Budget, but has been so treated here.

18. Deficit financing shown in item 2 above indicates roughly the expansionary impact of the budgetary transactions of the Central Government on money supply. A detailed appraisal of this impact would require an analysis of other data, such as changes in the holdings of the Central Government securities by the banking system, the State Governments and local bodies, and by others. Since these changes are not part of the Central Government Budget, such an analysis cannot be undertaken in the present document.

Net Profits of Departmental Commercial Undertakings

19. Net profits of all departmental commercial undertakings together are budgeted at Rs. 47 crores for 1961-62. The revised estimates for 1960-61 are Rs. 42 crores and the actuals for 1959-60 Rs. 48 crores. These magnitudes measure the financial results of the working of departmental commercial undertakings. A part of the net profits of these undertakings is appropriated by Government administration and enters

the pool of its current receipts. The remainder—retained profits—is ploughed back for their expansion. This plough-back is budgeted at Rs. 23 crores for 1961-62 as against the revised estimates of Rs. 31 crores for 1960-61 and the actuals of Rs. 33 crores for 1959-60. The derivation of the net profits and their appropriation are shown below:—

(Rs. crores)

	1959-60 Accounts	1960-61 Revised	1961-62 Budget
1. Gross sale proceeds and interest receipts	510	555	600
2. Operating expenses	462	513	553
3. Net profit (1—2)	*48*	*42*	*47*
(*a*) transferred to Government Administration	15	11	24
(*b*) Retained	33	31	23

Contribution to Income Generation

20. The budgetary operations of the Central Government during 1961-62 are expected to generate a total income of Rs. 676 crores. According to the revised estimates for 1960-61, such income generation works out at Rs. 614 crores and for 1959-60 (Accounts) at Rs. 532 crores. The break-up of the total income generation by the Central Government is as follows:—

(Rs. crores)

	1959-60 Accounts	1960-61 Revised	1961-62 Budget
1. Wage and salary incomes generated by Government Administration (*vide* item 1·1 in Acct. 1)	203	244	260
2. Net out-put of departmental commercial undertakings*	266	286	323
3. Wage and salary component of Government outlay on construction**	63	84	93
TOTAL	*532*	*614*	*676*

*This is made up of :

(Rs. crores)

	1959-60 Accounts	1960-61 Revised	1961-62 Budget
(*a*) Wages and salaries (including wages and salaries component of repairs and maintenance)	209	239	243
(*b*) Interest	55	56	62
(*c*) Profits (transferred to administration and retained less renewals and replacements in excess of depreciation provision)	3	—9	18
TOTAL	*266*	*286*	*323*

**Estimated at 33·3 per cent of the total expenditure on construction as shown in Account3.

21. A reconciliation of the major entries on current and capital account as they appear in the Economic Classification with the corresponding entries in the Financial Statement is given in the Appendix.

APPENDIX

A. Notes on the accounts, their derivation and rationale*

The framework of economic classification presented here is based on the delineation of Government transactions in a set of six accounts. The derivation and rationale of each of these accounts are briefly explained below:

Account 1:—*Transactions in commodities and services, and transfers: Current Account of Government Administration.*

This account is concerned with the current receipts and expenditure of Government administrative departments. It sets out the final outlay of Government (on current account) which is a charge on the national products and represents direct consumption by Government administrative departments. The final outlays are made up of purchases of commodities and services and wage and salary payments. Besides final outlay government makes transfer payments—in the shape of reliefs, scholarships, grants, subsidies—to the rest of the economy, which add to the disposable income of the community. To meet all these expenditures, the Government appropriates a part of the income of the community through a variety of taxes and miscellaneous receipts (like fees etc.) accruing in the course of administration. In addition, Government has an investment income accruing to it from the ownership of enterprise and real estate. The surplus of revenue—after meeting current expenditures and transfers—denotes the savings of Government administration, available for capital formation.

Item 1.1.—Wages and Salaries denote the estimates of income generated in the form of wages and salaries by the development and non-development expenditures of the Central Government. Besides actual payments by civil departments in the form of pay of officers and of establishment staff, their allowances (other than travelling and daily allowances) and honoraria, the figures include wage payments to casual labour employed by administrative departments booked under the head 'contingencies", wages and salaries of defence personnel and wages and salaries components of (i) defence capital outlay, and (ii) repairs and maintenance. In estimating the wages and salaries component of defence capital outlay only the 'works' expenditure is taken into account. The works expenditure is divided into wages and salaries and purchase of commodities and services in the ratio of 1:2. The wages and salaries component of repairs and maintenance is calculated by allocating expenditure equally between wages and salaries and purchases of materials, since the required break-up is not available. The figures of wages and salaries shown here are therefore, larger than the payments included in civil expenditure, shown in Annexure XI of the Explanatory Memorandum.

It may be mentioned in this connection that the accepted procedure of national income estimation is to treat the entire expenditure on defence as current expenditure, on the hypothesis that defence capital outlay does not lead to any increase in the productive equipment in the community. An alternative view is also taken by some authorities that a certain part of defence capital outlay—*e.g.* on the construction of buildings, roads and bridges, which are of the nature of durable assets—should be treated as capital formation in the community. Both the above hypotheses involve assumptions and some degree of arbitrariness; and the distinction between

*Reproduced with some amendments from "An Economic Classification of the Central Government Budget for 1960-61 issued in March, 1960".

Government consumption expenditure and capital outlay remains, to that extent, arbitrary.

Item 1.2.—Commodities and services include expenditure under the head "other charges". "Lumpsum provisions" in the budget have been broken down into expenditure on commodities etc., and wages and salaries wherever possible; where lump provisions cannot be broken up they have been treated as expenditure on commodities and services. Contributions to the UN and similar payments are also treated as purchases of services.

Item 2.—*Transfer payments.*—The rationale of the treatment here of transfer payments needs some explanation. From the economic point of view, Government expenditures are of three types; consumption expenditure. capital formation and transfers to other sectors. In the present analysis, a distinction has been drawn between current transfers and capital transfers on the hypothesis that some transfers recorded in the capital account—*e.g.*, Central grants for development outlay by States—are intended to assist capital formation.

The second point to be noted is that current transfers have been broken up into interest payments; grants to States; grants to institutions; subsidies; and transfer payments to individuals intended to augment personal incomes. Interest payments on the national debt are sometimes treated as a deduction on the curent (transfer) receipts of Government, but these payments have been shown here gross.

Item 2.1.—Interest comprises interest on the national debt excluding interest charged to departmental commercial undertakings. Interest charged to States and to non-departmental undertakings is, however, included. The deduction in expenditure on this account in the budget is shown here as receipt of interest.

Item 2.2.—Grants include all statutory grants, grants in lieu of the railway passenger fares tax and income tax merged with Corporation tax, and other grants intended to meet current expenditures of State Governments shown as grants to States. Grants to local authorities of the Union Territories are shown separately. The item grants to other comprises grants to non-profit making institutions.

Item 2.3.—Other current transfers include subsidies (representing the trading loss on imported steel, subsidy for acquisition of gold, etc.) pensions—civil and defence—excluding gratuities (treated as capital transfers); and all other current transfers to persons like scholarships, stipends, prizes, famine and other relief expenditures.

Pensions payments have been treated in the present classification as a transfer payment. An alternative treatment of pensions—as deferred pay—is possible. However, if the concept of pensions as deferred pay is accepted, accumulating pensionary rights would be tantamount to compulsory savings by Government servants—*i.e.*, a loan to Government—actual pension payments being of the nature of repayment of loans. The treatment of pensions as transfers is simpler, and justifiable on the ground that no increase in current output accrues to the economy from retired personnel receiving pensions.

Item 5.—The distinction between transfer receipts of Government on current and capital account—like the distinction between transfer payments on current and capital account—rests on the hypothesis that Government's current transfer receipts constitute payments out of income, while capital receipts constitute payments out of capital. This distinction is arbitrary, and depends on the assumption that capital taxes are paid out of savings, and the further assumption that ordinary taxes are paid through a cut in

consumption. This is not necessarily true, and hence the distinction between taxes paid out of income and out of capital is only partly valid.

Taxes on income and wealth include income tax, corporation tax, wealth tax and land revenue (in respect of the Union territories). Taxes on commodities and transactions include Central excise duties, customs, sales tax, registration, stamps duties, tax on railway passenger fares, etc. Tax receipts taken credit for are exclusive of the share of States. Tax on expenditures is treated as a separate category, it being a direct tax on outlays. The merger of tax on railway passenger fares with railway fares on the recommendation of the Railway Convention Committee has necessitated alteration in the treatment of this tax. Since 1961-62 the tax is shown as part of railway receipts in Account 2. In Account 1, the transfer of Rs. 12·50 crores to the States is included under Grants to States.

Item 6.—*Income from property and enterprise.*—This item includes profits of departmental and non-departmental commercial undertakings transferred to administration; profits of the Reserve Bank (which have been taken out from receipts under "currency and mint"); trading profits on sugar, on iron and steel transactions of the Steel Equalisation Fund and on cement transactions of the State Trading Corporation transferred to Government; interest receipts from States and from individuals and non-profit—making institutions only (interest receipts from departmental commercial undertakings being omitted); and rental and other income from property (which have been taken out from receipts under the head "civil works").

Item 7.—*Fees and miscellaneous receipts.*—Administrative departments of Government are essentially of the nature of "consumers", spending a part of the national products on behalf of the community. Sales by administrative departments of miscellaneous commodities like jail products, Government publications etc. are not, therefore, treated as commercial activities. Such sales are taken as deductions on Government consumption expenditure (on commodities and services) in this classification.

Fees and miscellaneous receipts and recoveries, likewise, are difficult to classify. They are neither of the nature of transfer receipts (like taxes) nor income from enterprise. Fees are generally related to some specific services performed; and in many ways, are of the nature of a price. However, the services rendered for a fee are not organised on a commercial basis, *e.g.*, hospitals. In the present context, therefore, fees and miscellaneous receipts have been shown separately.

ACCOUNT 2:—*Transactions in commodities and services, and transfers: Current Account of Departmental Commercial Undertakings.*

The operations of departmental commercial undertakings which figure in the budget, are of the nature of producer activities of Government. The purchases of materials, etc. by commercial undertakings are intermediate expenditures (like costs of raw materials, fuels) and are quite different in character from final outlays by administrative departments. Likewise, sale proceeds of commercial undertakings are different from the transfer receipts (like taxes) of administration. This account, therefore, sets out what is generally known as the profit-and-loss account of departmental commercial undertakings and is different in character from Account I.

The retained profits of commercial undertakings, that is, the part of surplus not transferred to administration as emerging from this Account add to the savings of Government administration, the two together giving total Government savings available for capital formation. From the economic point of view, it is this magnitude, namely, the surplus on

current accounts, which links up with private savings in a scheme of national income accounts.

It is to be noted that the transactions of Government enterprises run as independent companies or corporations e.g. the Hindustan Steel (P) Ltd., are not included in this Account as the economic classification presented here pertains to the magnitudes in the Demands for Grants and the Financial Statement. This Account is therefore, concerned only with those commercial undertakings which are run departmentally and include Railways, Posts and Telegraphs, Salt, Opium, Overseas Communications Service, Transport schemes, Electricity schemes and Irrigation schemes, Forests and Delhi Milk Scheme. Railways have their own separate budget which is presented to Parliament, while the transactions of other undertakings are subsumed in the general budget.

It is important to note here that the list of departmental commercial undertakings as given above does not exhaust the activities of a commercial or semi-commercial nature, undertaken by the Central Government. It is technically possible to treat activities like, say, those of the All-India Radio and the Publication Division of the Ministry of Information and Broadcasting, as commercial activities of the Government This has not been done here, because though a fee or a price is charged by these departments, in general, their services or products are not sold on a commercial basis.

The expenditure side of the operating account of departmental commercial undertakings spells out the purchases of commodities and services i.e., raw materials etc.; wages and salaries; expenditure on repair and maintenance; interest on the capital-at-charge and loans from the Central Government; provision for depreciation; and surplus on current account, part of which is transferred to Administration. On the receipt side is spelt out the gross sale proceeds *e.g.*, traffic earnings of railways, and the interest receipts accruing to the development and depreciation funds. Maintenance expenditure is shown separately because of the importance of such expenditure for the efficient working of commercial undertakings. Repair and maintenance expenditure is allocated between purchases of commodities and wage and salary components on a 50 : 50 basis. Railways' contributions to the Provident Fund of employees are included in wages and salaries.

ACCOUNT 3.—*Transactions in commodities and services, and transfers: Capital Account of Government Administration and departmental commercial undertakings (combined).*

This Account is concerned with the total capital outlay representing physical asset formation—by administration and departmental commercial undertakings, and with transfers of capital. It is possible to draw a distinction between administration and departmental commercial undertakings in respect of capital expenditure also, in the same manner as has been done for current expenditures. But this distinction is not very important. The entire expenditure on capital formation is a final expenditure and is a charge on the national product, for which Government has to find the resources either from its own savings or by drawing on private savings. Hence, there is some advantage in consolidating the capital account of administration and of departmental commercial undertakings and in avoiding a multiplicity of accounts relating to similar transactions of different Government entities.

The physical asset formation by Government has been shown in terms of gross and net asset formation and net increase in inventories. In the latter connection, a distinction has been drawn between inventories required for construction jobs and for commercial undertakings and

inventories of strategic materials like food and steel held for policy reasons. Transfers of capital are also spelt out; grants to other sectors for capital formation are separated from miscellaneous items of transfer of a capital nature. Among transfer receipts, foreign grants are shown separately. Transfer payments and receipts of a capital nature shown in this Account are not easily distinguishable from current transfer payments and receipts shown in Account I. But, broadly, capital transfers are intended to assist capital formation and are received into the capital account of other sectors, whereas current transfers represent additions to the disposable income of recipients.

To the extent that Government capital formation as defined in this Account exceeds Government savings—as brought over from Account 1 and 2—there is an expansionary stimulus given to the economy as a result of Government's operations. The difference between Government savings and Government capital formation is often used in economic analysis as a measure of budgetary deficit. The difference between total Government expenditure on goods and services and transfers and the receipts from transfers, profits and property incomes of Government provides another measure of budgetary deficit. This deficit or surplus which is shown as a balancing item in Account 3 measures the net change in Government's financial claims against the rest of the economy.

Item 1.1.—Buildings and other construction include all buildings for residential, office and other purposes, roads, construction jobs for railways, electricity projects, etc. A small amount spent on acquisition of land and buildings is also shown here because separate details of such expenditure are not available. These should strictly be shown separately. Further, as construction jobs are mainly executed by contracts, the actual amounts spent on labour charges and on the purchase of materials for building and construction works, are not known. It is, however, possible to allocate this outlay between wages and salaries and commodities and services on an *ad hoc* basis. Wages and salaries component of construction is taken at 33·3 per cent of the outlay on construction.

Item 1.2.—Machinery and equipment include expenditure incurred on the purchase of various equipment including those coming under foreign aid. New construction works and machinery purchased for new installations shown as 'new outlay' pertain to Government administration and departmental commercial undertakings together. But expenditure shown against 'renewals and replacements' refers mainly to the departmental commercial undertakings.

Item 2.—Increase in inventories—The net increase or decrease in stores needed for construction jobs and inventories of departmental commercial undertakings, is shown separately from changes in stocks of strategic materials like food, steel, fertilisers etc. held by administrative departments for policy reasons.

Item 3.1.—Grants for capital formation—Grants for capital formation to States include "capital outlay on development grants" and other grants given for capital formation. Machinery and equipment received under foreign aid and passed on to States as grants are also included under this head. Grants to non-departmental commercial undertakings include grants to the Indian Airlines Corporation, Damodar Valley Corporation etc. for new construction and for the acquisition of assets. Grants to others comprise grants to non-profit-making institutions for construction of buildings and for the purchase of equipment.

Item 3.4.—Other capital transfers represents payments to the I.B.R.D. under Indus Water Treaty, 1960.

Receipts on Capital Account—Receipts available for capital formation consist of gross savings on current account brought over from Accounts 1 and 2; gift tax and estate duty; and receipts of foreign grants. A large part of the receipts from the sale of assets like buildings constructed by the Government and sale of evacuee property has been adjusted against the compensation paid to displayed persons. The Government has accepted certain claims to compensation, of displaced persons; all actual expenditures in this context are of the nature of transfer payments as shown in item 3.3. Part of the payment is in the shape of transfer of evacuee property, which is sold to displaced persons and adjusted against their claims to compensation. A minor part constituting sale of other assets has been adjusted against new outlay on buildings and on machinery and equipment according to the type of assets sold. Sale of these assets is, from the economic point of view, really an item of 'dis-saving' and—in reckoning total capital formation on Government account—should be treated as a deduction on capital expenditure.

Item 6.1.—Gift tax and estate duty are put here on the assumption that these are paid out of capital.

Item 6.2.—Foreign Grants—These comprise grants received under various aid programmes, such as Colombo Plan, T.C.A., grants under PL. 480 etc. For PL. 480 grants, the amount taken credit for represents the releases from the counterpart fund.

ACCOUNT 4—*Changes in financial assets: Capital Account of Government administration and departmental commercial undertakings.*

Account 4 is concerned with transactions in financial assets: in other words, with financial investments in industrial and commercial concerns (*i.e.* investments in shares), and loans and advances granted to the rest of the economy. An attempt has been made to allocate the loans between these meant for capital formation and loans for other purposes. Loans for capital formation as shown in Account 4 indicate the extent to which the Central Government promotes capital formation in the rest of the economy through financial assistance in contrast with the capital formation actually undertaken by Government. The balancing item of Account 4, representing net financial investments, loans and advances of the Central Government, adds to the deficit in Account 3 to give the total requirement of finance to be met out of borrowings or by adjustments in Government's cash balances.

Item 1.—Investments in shares include investments in the share capital of industrial undertakings of the Government, organised as private limited companies and the acquiring of a financial interest in concerns primarily owned and operated by private individuals (shown as investments in shares of other concerns).

The expenditure on the purchase of shares are shown in the budget under "capital expenditure not met from revenue". Since the Government merely acquires a financial interest in the concerns, the actual outlay on commodities and services being undertaken by these companies, there is no draft by Government directly on the real resources of the community. These outlays are, therefore, shown as purchases of financial assets by the Government.

Item 2.—Loans for capital formation include loans given for the creation of capital assets like the construction of irrigation facilities, industrial housing, etc. Loans to States; to local authorities; and to non-departmental commercial undertakings (like Hindustan Steel (P) Ltd.,)

are shown separately. Loans for capital formation to others include loans to private industrial undertakings; building loans to private non-profit making institution; co-operative housing societies etc.

Item 3.—*Other loans.*—All other loans to State Governments, like ways and means advances, are shown as other loans to States. Loans to foreign governments cover such loans as to the Burmese Government. Loans to others include advances to Government servants (*e.g.* car advance).

Item 4.—Subscription to International Monetary Fund include contributions given in gold as well as Indian currency.

Item 5.—Net purchase of domestic gold represents purchases of gold from the Kolar and Hatti gold mines, less gold sold.

Item 7.—*Sterling pensions annuities.*—The recoveries in respect of sterling pensions annuities relate to recoveries from the U.K., in respect of payments made earlier to cover our pension liability in that country; its effect is to reduce the Government's assets in the U.K. Recoveries under this head from State Governments and non-departmental commercial undertakings are treated as miscellaneous current receipts of the Centre.

Item 8.—*Repayment of loans.*—No breakdown is possible in respect of repayments of loans granted for capital formation and for other purposes. Repayments of loans by non-departmental commercial undertakings cannot also be segregated from repayment by others.

ACCOUNT 5.—*Changes in financial liabilities: Capital Account of Government administration and departmental commercial undertakings.*

In this Account are recorded the borrowing operations of the Government including borrowings from the Central bank. The issue of one rupee currency notes is also shown here because its economic effect is the same as the effect of borrowing from the Central bank. The deficits in Accounts 3 and 4 represent the net amount of financial resources required by the Central Government over and above its transfer and miscellaneous receipts to cover all its consumption and capital outlays, transfers and loans etc. to the rest of the economy. Account 5 is concerned with the provision of finance for meeting the excess of outlays—real and financial—over revenues; and elaborates gross borrowing of the Central Government, with details of long term borrowing at home, and borrowing abroad; small savings and other unfunded debt; floating debt; and miscellaneous capital receipts like civil deposits, advance tax payments, etc. Borrowing from the Central bank is not shown separately but is the main element in the increase in floating debt.

The balancing item in Account 5 gives the net increase in the financial liability of the Central Government to the rest of the economy; in other words, the net borrowing of the Government, including borrowing from the Central bank.

Item 7.—*Cash Balance Investment Account.*—The sale of securities from the Cash Balance Investment Account is treated here as an increase in liability and not as a reduction in assets. This treatment highlights all Central Government transactions *vis-a-vis* the rest of the economy, there being no basic difference between new borrowing and the sale of securities held in reserve.

Item 8.—*Small savings.*—The receipts under various small saving schemes (like the 12 year National Plan Savings Certificates), are shown net.

Item 9.—*Other unfunded Debt.*—This item comprises net receipts under provident funds, etc.

Item 10.—*Floating Debt.*—This item represents net sales of treasury bills. No distinction has been made here between sales to the Reserve Bank and to others, but special treasury bills issued to the Reserve Bank for subscriptions to I.M.F. and IBRD and encashment thereof are shown separately.

Item 12.—*Issue of one rupee notes.*—The credit taken in the budget for Rs. 5 crores annually, by way of the issue of one-rupee currency notes, has been shown here as a liability of the Government. The economic effect of the increase in currency is the same as that of the increase in the floating debt.

ACCOUNT 6.—*Cash and Capital Reconciliation Account of Government Administration and Departmental Commercial undertakings.*

This is the reconciliation Account summing up the net position in respect of Accounts 3, 4 and 5 showing the effect of all transactions of the Central Government on its cash position. As stated earlier, Account 3 sums up the net position in respect of all (real) transactions in commodities and services and all transfers, while Accounts 4 and 5 bring out the net position in respect of financial assets and financial liabilities respectively.

B. RECONCILIATION

A reconciliation of the figures given in the Financial Statement and in the Economic Classification is given below:

Current revenue of Government administration, as shown in Account 1, amounts to Rs. 1,012 crores for 1961-62 while it is placed at Rs. 1,056 crores in the financial statement; total current expenditure of Government administration, as shown in Account 1, is Rs. 978 crores for 1961-62 whereas revenue expenditure in the financial statement is put at Rs. 1,056 crores. Similarly, Government's capital expenditure for 1961-62 as shown in the classification, is Rs. 26 crores smaller than 'capital expenditure not met from revenue' given in the financial statement. The various adjustments made in the classification to arrive at the figures mentioned are spelt out in detail in the statements given below:

(Rs. crores)

	1959-60 Accounts	1960-61 Revised	1961-62 Budget
CURRENT ACCOUNT : REVENUE			
1. Revenue as shown in the Financial Statement*	*895·6*	*956·1*	*1056·5*
Less—			
2. P. & T. interest reduced from P. & T. receipts.	3·5	—	—
3. P. & T. receipts excluded	—	10·9	10·9
4. Netting of mint receipts	4·5	4·8	5·0
5. Accounting transfers eliminated	20·4	22·0	24·5
6. States' share of excise duty	74·7	75·1	76·3
7. Netting of opium receipts	3·3	4·7	5·4
8. Netting of other receipts	3·9	4·2	5·8

(Rs. crores)

	1959-60 Accounts	1960-61 Revised	1961-62 Budget
9. Estate duty and gift tax transferred to Capital	1·0	0·9	0·9
Add—			
10. Recoveries of interest from States	49·3	62·1	71·7
11. Recoveries of other interest	1·5	1·5	1·6
12. Various other recoveries shown as Miscellaneous receipts	2·3	3·7	3·5
13. Transfer to Profit from State Trading Account	1·9	5·6	8·3
14. Other miscellaneous adjustments	—1·0	2·1	—0·7
15. Total adjustments	—57·3	—47·6	—44·4
16. Current revenue of Government administration as shown in the economic classification of the budget	*838·3*	*908·5*	*1012·1*

	1959-60 Accounts	1960-61 Revised	1961-62 Budget
CURRENT ACCOUNT : EXPENDITURE			
1. Revenue expenditure as shown in the financial Statement*	*853·1*	*989·8*	*1056·2*
Less—			
2. Appropriation for the avoidance of debt	5·0	5·0	5·0
3. Payments of States' share of excise duty	74·7	75·1	76·3
4. Posts and Telegraphs interest	3·5	—	—
5. Posts and Telegraphs transfer to funds	—	11·3	11·7
6. Expenditure of a capital nature in the Revenue Account	6·8	16·8	19·8
7. Net transfers to 'funds' (after adjustments for transfers from 'funds')	25·4	19·3	32·5
8. Current expenditure of departmental commercial undertakings included in the budget	7·2	8·9	11·2
9. Accounting transfers to capital budget	30·8	30·5	31·5
Add—			
10. Defence capital outlay	31·6	30·5	28·9
11. Interest netted under 'recoveries'	51·8	64·8	74·3
12. Expenditure of revenue nature in the capital account	5·1	8·6	11·1
13. Other miscellaneous adjustments	0·8	6·8	—5·8
14. Total adjustments	—64·1	—56·2	—79·5
15. Current expenditure of Government administration as shown in the economic classification of the budget	*789·0*	*933·6*	*976·7*

*Revenue and expenditure are taken exclusive of the Railways' revenue and expenditure as per Railway Budget, shown on both sides of the Financial Statement.

(Rs. crores)

	1959-60 Accounts	1960-61 Revised	1961-62 Budget
CAPITAL ACCOUNT :			
1. Capital expenditure not met from revenue as shown in the Financial Statement	357·5	492·6	528·9
Less—			
2. Defence capital outlay taken over to Account 1	31·6	30·5	28·9
3. Financial investments in shares taken over to Account 4	48·5	78·9	76·3
4. Subscriptions to I.M.F. and I.D.A. taken over to Account 4	95·3	4·4	3·7
5. Net increase in gold taken to Account 4	2·8	2·8	2·8
6. Transfer of development assistance from Government of U.S.A.	35·2	76·4	74·7
7. Items of a revenue nature taken to Account 1	5·1	8·6	11·1
Add—			
8. Railway capital expenditure financed from Railway revenue	105·1	113·9	100·0
9. P. & T. Capital expenditure financed from P. & T. revenue	3·1	3·2	3·2
10. Capital expenditure brought over from revenue account	6·8	16·8	19·8
11. Sterling pension annuities	3·4	3·6	3·7
12. Expenditure netted in budget for 'recoveries'	42·8	42·1	38·8
13. Other miscellaneous adjustments	0·2	—12·1	6·0
14. Total adjustments	—57·1	—34·1	—26·0
15. Capital expenditure as shown in the economic classification of the Budget	300·4	458·5	502·9

GMGIPND—T. S. Wing—407 M of Fin.—8-3-61—2,000.

THE FINANCE BILL, 1961

(As introduced in Lok Sabha)

THE FINANCE BILL, 1961

(AS INTRODUCED IN LOK SABHA)

A

BILL

to give effect to the financial proposals of the Central Government for the financial year 1961-62.

BE it enacted by Parliament in the Twelfth Year of the Republic of India as follows:—

Short title and commencement.

1. (*1*) This Act may be called the Finance Act, 1961.

(*2*) Save as otherwise provided in this Act, sections 3 to 10 inclusive shall be deemed to have come into force on the first day of April, 1961.

Income-tax and super-tax.

2. (*1*) Subject to the provisions of sub-sections (*2*), (*3*) and (*4*), for the year beginning on the 1st day of April, 1961,—

(*a*) income-tax shall be charged at the rates specified in Part I of the First Schedule, and, in the cases to which Paragraphs A, B and C of that Part apply, shall be increased by a surcharge for purposes of the Union and a special surcharge, calculated in either case in the manner provided therein; and

(*b*) super-tax shall, for the purposes of section 55 of the Indian Income-tax Act, 1922 (hereinafter referred to as the Income-tax Act), be charged at the rates specified in Part II of the First Schedule, and, in the cases to which Paragraphs A, B and C of that Part apply, shall be increased by a surcharge for purposes of the Union and a special surcharge, calculated in either case in the manner provided therein.

11 of 1922.

(*2*) In making any assessment for the year ending on the 31st day of March, 1962,—

(*a*) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries", the income-tax payable by the assessee on that part of his total income which consists of such inclusion shall be an amount bearing to the total amount of income-tax payable according to the rates applicable under the operation of the Finance Act, 1960, on his total income the same proportion as the amount of such inclusion bears to his total income;

13 of 1960.

(*b*) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" on which super-tax has been or might have been deducted under the provisions of sub-section (*2*) of section 18 of the Income-tax Act, the super-tax payable by the assessee on that portion of his total income which consists of such inclusion shall be an amount bearing to the total amount of super-tax payable according to the rates applicable under the operation of the Finance Act, 1960, 13 of 1960. on his total income the same proportion as the amount of such inclusion bears to his total income.

(*3*) In making any assessment for the year ending on the 31st day of March, 1962, where the total income of a company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956, includes any profits and gains from 31 of 1956. life insurance business, the super-tax payable by it shall be the aggregate of the tax calculated—

(*i*) on the amount of profits and gains from life insurance business so included, at the rate applicable to the Life Insurance Corporation of India in accordance with Paragraph E of Part II of the First Schedule; and

(*ii*) on the remaining part of its total income, at the rate applicable to the company on its total income.

(*4*) In cases to which section 17 of the Income-tax Act applies the tax chargeable shall be determined as provided in that section, and with reference to the rates imposed by sub-section (*1*).

(*5*) In cases in which tax has to be deducted under section 18 of the Income-tax Act at the prescribed rates, the deduction shall be made at the rates specified in Part III of the First Schedule.

(*6*) For the purposes of this section, and of the rates of tax imposed thereby, the expression "total income" means total income as determined for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Income-tax Act, and the expression "earned income" has the meaning assigned to it in clause (*6AA*) of section 2 of that Act.

mendment section 4.

3. In section 4 of the Income-tax Act, in sub-section (*3*),—

(*i*) after clause (*ii*), the following clause shall be inserted, namely:—

"(*iia*) Any income of an association or institution established in India having as its object the control, supervision, regulation or encouragement in India of the games

of cricket, hockey, football, tennis or such other games or sports as the Central Government may specify in this behalf from time to time by notification in the Official Gazette:

Provided that—

(*i*) the association or institution applies its income, or accumulates it for application, solely to the objects for which it is established;

(*ii*) no part of the income of the association or institution is distributed in any manner to its members except as grants to any association or institution affiliated to it; and

(*iii*) the association or institution is, for the time being, approved for the purpose of this clause by the Central Government by general or special order.";

(*ii*) in clause (*xiva*), for the second proviso, the following provisos shall be inserted, namely:—

'Provided further that in the case of a person referred to in this clause whose contract of service was approved by the Central Government before the commencement of his service, this clause shall have effect as if for the words "during the financial year in which he arrived in India and the financial year next following", the words "during the thirty-six months commencing from the date of his arrival in India" had been substituted and as if the proviso immediately preceding had been omitted:

Provided also that where a person referred to in the proviso immediately preceding continues to remain in employment in India after the expiry of the thirty-six months commencing from the date of his arrival in India and the tax on his income chargeable under the head "Salaries" is paid by the employer to the Central Government, the tax so paid by the employer for a period not exceeding twenty-four months following the expiry of the said thirty-six months shall not be included in his total income.';

(*iii*) in clause (*xvi*), after the words "International Bank for Reconstruction and Development", the words "or under a loan

agreement between the Central Government and the Development Loan Fund of the United States of America," shall be inserted and after the words "under a loan agreement with the said Bank", the words "or Fund, as the case may be," shall be inserted.

Amendment of section 7.

4. In section 7 of the Income-tax Act, in the proviso to *Explanation* 2, after the words "a Central, State or Provincial Act", the words, letters and figures "or any payment of retiring gratuity received after the 1st day of June, 1953 under the New Pension Code applicable to the members of the Defence Services" shall be inserted and shall be deemed always to have been inserted.

Amendment of section 9.

5. In section 9, in sub-section (2), after the third proviso, the following proviso and *Explanation* shall be inserted, namely:—

"Provided further that in respect of a building the erection of which is begun and completed after the 1st day of April, 1961, the annual value for a period of three years from the date of such completion shall be reduced by a sum equal to the aggregate of—

(*a*) in respect of any residential unit (comprised in the building) whose annual value does not exceed six hundred rupees, by the amount thereof; and

(*b*) in respect of any residential unit (comprised in the building) whose annual value exceeds six hundred rupees, by an amount of six hundred rupees,

so, however, that the income in respect of any residential unit shall in no case be a loss.

Explanation.—Where a residential unit is in the occupation of the owner for the purposes of his own residence, and the annual value thereof is computed in accordance with the first proviso, such computation will be made as if the fourth proviso had been omitted.".

mendment section 10.

6. In section 10, in sub-section (2),—

(*i*) in clause (*vi*), after the words "in the case of machinery or plant, to twenty per cent. of the cost thereof to the assessee:" and before the proviso, the following paragraph shall be inserted, namely:—

"and where the buildings have been newly erected after the 31st day of March, 1961, such buildings being used solely for the purpose of residence of persons employed in the business and drawing remuneration not exceeding two hundred rupees per mensem, a sum (which shall not be deductible in determining the written down value) equal to twenty per

cent. of the actual cost of the building to the assessee in respect of the previous year of erection of the building:";

(*ii*) in clause (*vib*),—

(*1*) for sub-clause (*i*) and sub-clause (*ii*), the following sub-clauses shall be inserted, namely:—

"(*i*) in the case of a ship acquired after the 31st day of December, 1957, forty per cent. and in the case of a ship acquired before the 1st day of January, 1958, twenty-five per cent. of the actual cost of the ship to the assessee; and

(*ii*) in the case of machinery or plant installed before the 1st day of April, 1961, twenty-five per cent. and in the case of machinery or plant installed after the 31st day of March, 1961, twenty per cent. of the actual cost of the machinery or plant to the assessee.";

(*2*) in the first proviso, after the words "any person other than the Government", the words "or for any consideration not connected with any amalgamation or succession referred to in clause (*vic*)" shall be inserted;

(*iii*) after clause (*vib*), the following clause shall be inserted, namely:—

'(*vic*) (*i*) where in a scheme of amalgamation, a company (hereinafter in this sub-clause referred to as the predecessor) sells or otherwise transfers to the company formed in pursuance of the predecessor's amalgamation with that company (hereinafter in this sub-clause referred to as the successor) any ship, machinery or plant in respect of which development rebate has been allowed to the predecessor under clause (*vib*),—

(*1*) the successor shall continue to fulfil the conditions mentioned in the first proviso to clause (*vib*) in respect of the reserve created by the predecessor and in respect of the period within which such ship, machinery or plant shall not be sold or otherwise transferred and in default of any of these conditions, the provisions of sub-section (*11*) of section 35 shall apply to the successor as it would have applied to the predecessor had it committed the default;

(2) the balance of development rebate, if any, still outstanding to the predecessor in respect of such ship, machinery or plant shall be allowed to the successor in accordance with *Explanations* I and II of clause (*vib*), so, however, that the total period for which the balance of development rebate shall be carried forward in the assessments of the predecessor and the successor shall not exceed the period of eight years specified in *Explanation* I to clause (*vib*) and the successor shall be treated as the assessee in respect of such ship, machinery or plant for the purposes of clause (*vib*) and this sub-clause;

Explanation.—For the purposes of this sub-clause, "amalgamation" means the merger of two companies (each of which is hereinafter in this *Explanation* referred to as the amalgamating company) to form one company (hereinafter in this *Explanation* referred to as the amalgamated company) in such a manner that—

(*a*) all the property of the amalgamating companies immediately before the amalgamation becomes the property of the amalgamated company by virtue of the amalgamation;

(*b*) all the liabilities of the amalgamating companies immediately before the amalgamation become the liabilities of the amalgamated company by virtue of the amalgamation; and

(*c*) all the shareholders of the amalgamating companies immediately before the amalgamation become shareholders of the amalgamated company by virtue of the amalgamation,

otherwise than as a result of the acquisition of property of one company by another company pursuant to the purchase of such property by the other company or as a result of the distribution of such property to the other company after the winding up of the company;

(*ii*) where a firm is succeeded to by a private company, as defined in the Companies Act, 1956, in the business carried on by it as a result of which the firm sells or otherwise transfers to the private company any ship, machinery or plant, the provisions of sub-clause (*i*) of this clause shall, so far as may be, apply to the firm and the company; 1 of 1956.

Explanation.—The provisions of this sub-clause shall apply only where—

(*a*) all the property of the firm before the succession becomes the property of the company;

(*b*) all the liabilities of the firm immediately before the succession become the liabilities of the company; and

(*c*) all the partners of the firm immediately before the succession become shareholders of the company;';

(*iv*) after clause (*xiv*), the following clause shall be inserted, namely:—

"(*xiva*) in respect of any special reserve created by a financial corporation which is engaged in providing long term finance for industrial development in India, an amount not exceeding ten per cent. of the total income carried to such reserve account:

Provided that the corporation is for the time being approved by the Central Government for the purposes of this clause:

Provided further that where the aggregate of the amounts carried to such reserve account from time to time exceeds the paid-up share capital (excluding the amounts capitalised from reserves) of the corporation no allowance under this clause shall be made in respect of such excess;";

(*v*) in clause (*xv*), the following provisos shall be inserted, namely:—

"Provided that no expenditure in the nature of entertainment expenditure shall be allowed in the case of an assessee other than a company:

Provided further that in the case of a company, no expenditure in the nature of entertainment expenditure shall be allowed which exceeds the aggregate amount computed as hereunder—

(*i*) on the first Rs. 10,00,000 of the profits and gains of the business [computed before making any allowance under clause (*vib*) or in respect of entertainment expenditure] ..	at the rate of 1% or Rs. 5,000 whichever is higher.

(*ii*) on the next Rs. 40,00,000 of the profits and gains of the business (computed in the manner aforesaid) .. at the rate of $\frac{3}{4}\%$

(*iii*) on the next Rs. 1,20,00,000 of the profits and gains of the business (computed in the manner aforesaid) .. at the rate of $\frac{1}{2}\%$

(*iv*) on the balance of the profits and gains of the business (computed in the manner aforesaid) .. *nil.*".

Amendment of section 15C.

7. In section 15C of the Income-tax Act,—

(*a*) in sub-section (*1*), after the word "undertaking" wherever it occurs, the words "or hotel" shall be inserted;

(*b*) after sub-section (*2*), the following sub-section shall be inserted, namely:—

"(2A) This section applies to any hotel which—

(*a*) starts functioning on or after the first day of April, 1961 and is not formed by the splitting up, or the reconstruction of, business already in existence or by the transfer to a new business of building, machinery or plant previously used in any other business;

(*b*) is owned and run by a company registered in the taxable territories with a paid-up capital of not less than five hundred thousand rupees;

(*c*) is run in premises which are owned by the company;

(*d*) has such number and types of guest rooms and provides such amenities as may be prescribed, having regard to the population and the tourist importance of the place in which the hotel is located; and

(*e*) is for the time being approved for the purposes of this sub-section by the Central Government.";

(*c*) in sub-sections (*3*) and (*5*), after the words "industrial undertaking", the words "or a hotel" shall be inserted;

(*d*) in sub-section (*4*),—

(*i*) after the words "industrial undertaking", the words "or a hotel" shall be inserted;

(*ii*) the following *Explanation* shall be inserted, namely:—

"*Explanation.*—The amount of dividend in respect of which the tax is not payable under this sub-section shall be computed in accordance with such rules as may be made in this behalf by the Central Board of Revenue.";

(*e*) in sub-section (*6*), for the words "shall apply", the words "shall, in relation to an industrial undertaking, apply" shall be substituted;

(*f*) after sub-section (*6*), the following sub-section shall be inserted, namely:—

"(7) The provisions of this section shall, in relation to a hotel, apply to the assessment for the financial year next following the previous year in which the hotel starts functioning and for the four assessments immediately succeeding.".

Amendment of section 23A.

8. In section 23A of the Income-tax Act, in sub-section (*1*),—

(*a*) in clause (*ii*), the word "or" shall be added at the end; and

(*b*) after clause (*ii*), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1960, namely:—

"(*iii*) that at least 75 per cent. of the share capital of the company is throughout the previous year beneficially held by an institution or fund established in the taxable territories for a charitable purpose the income whereof is exempt under clause (*i*) of sub-section (*3*) of section 4;".

Amendment of section 35.

9. In section 35 of the Income-tax Act, in sub-section (11),—

(*a*) in clause (*i*), after the words "other than the Government", the words "or for any consideration not connected with any amalgamation or succession referred to in clause (*vic*) of sub-section (*2*) of section 10", shall be inserted;

(*b*) the following *Explanation* shall be inserted, namely:—

"*Explanation.*—For the purposes of this sub-section, a successor referred to in sub-clause (*i*) or sub-clause (*ii*) of clause (*vic*) of sub-section (*2*) of section 10 shall be deemed to be the assessee even in respect of an allowance by way of development rebate made to the predecessor, and any tax

resulting from the recomputation of the total income for any previous year of the predecessor shall be payable by the successor.".

Amendment of section 56A.

10. In section 56A of the Income-tax Act, in clause (*i*) of sub-section (*1*), after item (20), the following item shall be inserted, namely:—

"(21) Refractories;".

Amendment of Act 32 of 1934.

11. The Indian Tariff Act, 1934 (hereinafter referred to as the Tariff Act), shall be amended in the manner specified in the Second Schedule.

Amendment of Act 1 of 1949.

12. In the Indian Tariff (Amendment) Act, 1949, in sections 4 and 5, for the figures "1961", the figures "1962" shall be substituted.

Amendment of Act 1 of 1944.

13. In the First Schedule to the Central Excises and Salt Act, 1944,—

(*a*) in Item No. 2, for the entry in the third column, the entry "Fifty-five rupees per quintal" shall be substituted;

(*b*) in Item No. 4,—

(1) under "I. *Unmanufactured tobacco*—"—

(*i*) for sub-item (1), the following sub-item shall be substituted, namely:—

"(1) If flue cured and used in the manufacture of cigarettes.	Two rupees and fifty naye paise.";

(*ii*) in sub-item (4), for the entry in the third column, the entry "Two rupees" shall be substituted;

(*iii*) in sub-item (5), for the entry in the third column, the entry "One rupee and fourteen naye paise" shall be substituted;

(*iv*) in sub-item (8), for the entry in the third column, the entry "Twenty-two naye paise" shall be substituted;

(2) under "II. *Manufactured tobacco*—"—

(*i*) for sub-item (1), the following sub-item shall be substituted, namely:—

"(1) Cigars and cheroots of which the value—	Per hundred.
(*i*) exceeds Rs. 25 a hundred.	Fifteen rupees.

	(*ii*) exceeds Rs. 15 a hundred, but does not exceed Rs. 25 a hundred.	Nine rupees.
	(*iii*) exceeds Rs. 5 a hundred, but does not exceed Rs. 15 a hundred.	Three rupees.
	(*iv*) exceeds Rs. 1·25 a hundred, but does not exceed Rs. 5 a hundred.	Seventy-five naye paise.";

(*ii*) in sub-item (2),—

(A) for sub-items (2)(i), (2)(ii), (2)(iii) and (2)(iv), the following shall be substituted, namely:—

"(*i*)	exceeds Rs. 35 a thousand.	Twenty-three rupees and seventy-five naye paise.
(*ii*)	exceeds Rs. 30 a thousand, but does not exceed Rs. 35 a thousand.	Twelve rupees and seventy-five naye paise.
(*iii*)	exceeds Rs. 25 a thousand, but does not exceed Rs. 30 a thousand.	Eleven rupees and fifty naye paise." ;

(B) sub-items (2)(v), (2)(vi), (2)(vii), (2)(viii) and (2)(ix) shall, respectively, be re-numbered as sub-items (2)(iv), (2)(v), (2)(vi), (2)(vii) and (2)(viii);

(*c*) in Item No. 7, for the entry in the third column, the entry "Ninety-five rupees and fifty-five naye paise per kilolitre at fifteen degrees of centigrade thermometer" shall be substituted;

(*d*) in Item No. 9, for the entry in the third column, the entry "Sixteen per cent. *ad valorem* plus ninety-two rupees and ten naye paise per metric tonne" shall be substituted;

(*e*) in Item No. 13, for the entry in the third column, the entry "Twenty rupees per quintal" shall be substituted;

(*f*) in Item No. 14, for the entries in the third column against each of the sub-items specified below, the following entries as are set out in the corresponding column against that sub-item shall be substituted, namely:—

"I (1)	(*i*)	Nineteen rupees and seventy-five naye paise per quintal.
	(*ii*)	Seventy naye paise per kilogram.

(2)		Seventeen rupees and twenty-five naye paise per quintal.
(3)		
	(*i*)	Seventeen rupees and twenty-five naye paise per quintal.
	(*ii*)	Twenty-nine rupees and fifty naye paise per quintal.
	(*iii*)	Forty-two naye paise per litre.
	(*iv*)	Ninety-eight naye paise per litre.
(4)		
	(*i*)	Seventy naye paise per kilogram.
	(*ii*)	Seventeen rupees and twenty-five naye paise per quintal.
	(*iii*)	Fifty-six naye paise per litre.
(5)		Seventeen rupees and twenty-five naye paise per quintal, if sold by weight;
		Fifty-six naye paise per litre, if sold by volume.
II		
	(*i*)	Twenty-eight naye paise per litre.
	(*ii*)	Eighteen naye paise per litre.
III		
	(*i*)	One rupee and forty naye paise per litre.
	(*ii*)	Fifty naye paise per kilogram, if sold by weight;
		Eighty-five naye paise per litre, if sold by volume. ;

(*g*) after Item No. 14, the following Items shall be inserted, namely:—

"14A. SODA ASH	Two rupees per quintal.
14B. CAUSTIC SODA—	
(*i*) if in a solid form	Four rupees per quintal.
(*ii*) if in lye	Four rupees per quintal on the basis of hundred per cent. strength of caustic soda.

14C.	GLYCERINE.	Seventeen rupees per quintal.
14D.	DYES DERIVED FROM COAL TAR AND COAL TAR DERIVATIVES, USED IN ANY DYEING PROCESS, ALL SORTS.	Fifteen per cent. *ad valorem.*
14E.	PATENT OR PROPRIETARY MEDICINES AS DEFINED IN CLAUSE (*d*) OF SECTION 3 OF THE DRUGS ACT, 1940 (23 OF 1940), NOT CONTAINING ALCOHOL.	Ten per cent. *ad valorem.*
14F.	COSMETICS AND TOILET PREPARATIONS, NAMELY:—	Twenty-five per cent. *ad valorem.*";
	(*i*) Face cream and snow.	
	(*ii*) Face powder.	
	(*iii*) Talcum powder.	
	(*iv*) Hair lotion, cream and pomade.	

(*h*) after Item No. 15, under the heading **Chemicals**, the following Items shall be inserted, namely:—

"15A.	PLASTICS, ALL SORTS, NAMELY:—	Twenty per cent. *ad valorem.*
	(*i*) Moulding powders, granules and flakes (thermosetting and thermoplastic).	
	(*ii*) Polyethylene films, lay-flat tubings and P.V.C. sheets (that is to say, Polyvinyl Chloride sheets).	
15B.	CELLOPHANE.	Twenty per cent. *ad valorem.*" ;

(*i*) in Item No. 17, for the entries in the third column against sub-itmes (1), (2), (4), (5), (6), (7), (8), (9) and (10), the entries "Fifty naye paise per kilogram", "One rupee per kilogram", "Thirty-five naye paise per kilogram", "Fifteen naye paise per kilogram", "Thirty-five naye paise per kilogram", "Thirty-five naye paise per kilogram", "Thirty-five naye paise per kilogram", "Fifty naye paise per kilogram" and "Fifty naye paise per kilogram" shall, respectively, be substituted;

(*j*) after Item No. 18, the following Items shall be inserted, namely:—

'18A.	COTTON TWIST, YARN AND THREAD, ALL SORTS, in or in relation to the manufacture of which any process is ordinarily carried on with the aid of power—	
	(1) of 35 or more counts ;	Fifteen naye paise per kilogram.
	(2) of less than 35 counts.	Ten naye paise per kilogram.

Explanation.—For multiple-fold yarn, "count" means the count of the basic single yarn.

18B.	WOOLLEN YARN, ALL SORTS INCLUDING KNITTING WOOL, in or in relation to the manufacture of which any process is ordinarily carried on with the aid of power—	
	(1) worsted yarn;	Ten per cent. *ad valorem.*
	(2) others.	Five per cent. *ad valorem.*';

(*k*) after Item No. 23, the following Items shall be inserted, namely:—

"23A.	GLASS AND GLASSWARE—	
	(1) Sheet glass and Plate glass.	Ten per cent. *ad valorem.*
	(2) Laboratory glassware.	Five per cent. *ad valorem.*
	(3) Glass shells, glass globes and chimneys for lamps and lanterns.	Ten per cent. *ad valorem.*
	(4) Other glassware including tableware.	Fifteen per cent. *ad valorem.*
23B.	CHINAWARE AND PORCELAINWARE, ALL SORTS,—	
	(1) Tableware.	Fifteen per cent. *ad valorem.*
	(2) Sanitaryware.	Fifteen per cent. *ad valorem.*
	(3) Glazed tiles.	Ten per cent. *ad valorem.*
	(4) Not otherwise specified.	Ten per cent. *ad valorem.*" ;

(*l*) after Item No. 26, the following Items shall be inserted, namely:—

"26A.	COPPER AND COPPER ALLOYS CONTAINING NOT LESS THAN FIFTY PER CENT. BY WEIGHT OF COPPER,—	
	(1) Manufactures, the following, namely, plates, sheets, circles, strips and foils in any form or size.	Three hundred rupees per metric tonne.
	(2) Pipes and tubes.	Ten per cent. *ad valorem.*
26B.	ZINC,—	
	(1) Manufactures, the following, namely, plates, sheets, circles, strips and foils in any form or size.	Three hundred rupees per metric tonne.
	(2) Pipes and tubes.	Ten per cent. *ad valorem.*";

(*m*) in Item No. 27, after sub-item (*b*), the following sub-item shall be inserted, namely:—

"(*c*)	Pipes and tubes.	Ten per cent. *ad valorem.*" ;

(*n*) after Item No. 29, the following Item shall be inserted, namely:—

"29A.	AIR CONDITIONING MACHINERY, ALL SORTS.	Twenty per cent. *ad valorem.*";

(*o*) after Item No. 33, the following Item shall be inserted, namely:—

"33A.	WIRELESS RECEIVING SETS, ALL SORTS, INCLUDING TRANSISTOR SETS AND RADIOGRAMS, WITH OR WITHOUT LOUDSPEAKER.	Twenty per cent. *ad valorem.*";

(*p*) in Item No. 38, for the entry in the third column, the entry "Sixty-five naye paise for every 1,000 matches or fraction thereof" shall be substituted;

(*q*) after Item No. 39, the following Item shall be inserted, namely:—

"40.	REFRIGERATORS AND PARTS THEREOF, SUCH AS ARE SPECIALLY DESIGNED FOR USE WITH REFRIGERATORS.	Twenty per cent. *ad valorem.*".

Amendment of Act 74 of 1956.

14. In the Central Sales Tax Act, 1956, in section 14,—

(*i*) in item (*iia*), for the figures "12", the figures "19" shall be substituted;

(*ii*) in item (*vii*), for the figures and letter "12A", the figures "22" shall be substituted;

(*iii*) in item (*viii*), for the figure "8", the figure "1" shall be substituted;

(*iv*) in item (*ix*), for the figure "9", the figure "4" shall be substituted;

(*v*) in item (*x*), for the figures and letter "12B", the figures "21" shall be substituted;

(*vi*) after item (*x*), the following item shall be inserted and shall be deemed to have been inserted with effect from the 1st day of March, 1961, namely:—

"(*xi*) silk fabrics, as defined in Item 20 of the First Schedule to the Central Excises and Salt Act, 1944".

Amendment of Act 58 of 1957.

15. In the Additional Duties of Excise (Goods of Special Importance) Act, 1957,—

(*a*) in clause (c) of section 2,—

(*i*) after the words "cotton fabrics", the words "silk fabrics" shall be inserted;

(*ii*) after the figures "19", the figures "20" shall be inserted;

(*b*) in sub-section (*1*) of section 3, after the words "cotton fabrics", the words "silk fabrics" shall be inserted;

(*c*) in the First Schedule,—

(*1*) in Item No. 4,—

(*i*) under "I. *Unmanufactured tobacco*", for sub-item (*1*), the following sub-item shall be substituted, namely:—

"(1) if flue cured and used in the manufacture of cigarettes.	*Nil*";

(*2*) under "II. *Manufactured tobacco*"—

(*A*) for sub-item (1), the following sub-item shall be substituted, namely:—

"(1) Cigars and cheroots of which the value—	Per hundred.	
(*i*) exceeds Rs. 25 a hundred.	Three rupees seventy-five paise.	and naye

(*ii*)	exceeds Rs. 15 a hundred, but does not exceed Rs. 25 a hundred.	Two rupees and twenty-five naye paise.
(*iii*)	exceeds Rs. 5 a hundred, but does not exceed Rs. 15 a hundred.	Seventy-five naye paise.
(*iv*)	exceeds Rs. 1·25 a hundred, but does not exceed Rs. 5 a hundred.	Fifteen naye paise." ;

(*B*) in sub-item (2), for sub-items (2)(i) and (2)(ii), the following shall be substituted, namely:—

"(2)(i)	exceeds Rs. 35 a thousand.	Seven rupees and seventy naye paise.";

(*C*) the sub-items (2) (iii), (2) (iv), (2) (v), (2) (vi), (2) (vii), (2) (viii) and (2) (ix) shall, respectively, be renumbered as sub-items (2) (ii), (2) (iii), (2) (iv), (2) (v), (2) (vi), (2) (vii) and (2) (viii);

(*3*) after Item No. 19, the following Item shall be inserted, namely:—

"20.	SILK FABRICS.	Thirty naye paise per square metre.";

(*d*) in the Second Schedule, in Part III,—

(*i*) in clause (a) of paragraph 5, after the words "cotton fabrics", the words "silk fabrics" shall be inserted; and

(*ii*) in the proviso to paragraph 6, after the words "cotton fabrics", the words "silk fabrics" shall be inserted.

16. In Schedule I to the Indian Stamp Act, 1899, in entry 47,— Amendment of Act 2 of 1899.

(*a*) in sub-entry A (1) (i), in the first column, the words "fifteen naye paise or" shall be omitted; and

(*b*) in sub-entry E, in the second column, the following proviso shall be inserted, namely:—

"Provided that if the total amount of duty payable is not a multiple of five naye paise, the total amount shall be rounded off to the next higher multiple of five naye paise.".

17. For the year beginning on the first day of April, 1961, no duty under the Central Excises and Salt Act, 1944 or the Tariff Act shall be levied in respect of salt manufactured in, or imported into, India. Discontinuance of salt duty.

1 of 1944.

Declaration under the Provisional Collection of Taxes Act, 1931.

It is hereby declared that it is expedient in the public interest that the provisions of clauses 11, 12, 13 and 15 of this Bill shall have immediate effect under the Provisional Collection of Taxes Act, 1931.

16 of 1931.

THE FIRST SCHEDULE

(*See* section 2)

PART I

Income-tax and surcharges on income-tax

Paragraph A

(*i*) In the case of every individual who is married and every Hindu undivided family whose total income does not exceed Rs. 20,000 in either case—

Rates of Income-tax

	Where the individual has no child wholly or mainly dependent on him or where the Hindu undivided family has no minor coparcener.	Where the individual has one child wholly or mainly dependent on him or where the Hindu undivided family has one minor coparcener.	Where the individual has more than one child wholly or mainly dependent on him or where the Hindu undivided family has more than one minor coparcener.	
	Rs.	Rs.	Rs.	
(1) On the first	3,000 of total income.	3,300 of total income.	3,600 of total income.	*Nil*
(2) On the next	2,000 ,,	1,700 ,,	1,400 ,,	3%
(3) On the next	2,500 ,,	2,500 ,,	2,500 ,,	6%
(4) On the next	2,500 ,,	2,500 ,,	2,500 ,,	9%
(5) On the next	2,500 ,,	2,500 ,,	2,500 ,,	11%
(6) On the next	2,500 ,,	2,500 ,,	2,500 ,,	14%
(7) On the next	5,000 ,,	5,000 ,,	5,000 ,,	18%;

(*ii*) In the case of every individual who is not married and every individual or Hindu undivided family whose total income in either case exceeds Rs. 20,000 and in the case of every unregistered firm or other association of persons, not being a case to which any other Paragraph of this Part applies:—

	Rs.	
(1) On the first	1,000 of total income	*Nil*
(2) On the next	4,000 ,, ,,	3%
(3) On the next	2,500 ,, ,,	6%
(4) On the next	2,500 ,, ,,	9%
(5) On the next	2,500 ,, ,,	11%
(6) On the next	2,500 ,, ,,	14%
(7) On the next	5,000 ,, ,,	18%
(8) On the balance of total income		25%:

Provided that for the purposes of this Paragraph—

(*i*) no income-tax shall be payable on a total income which does not exceed the limit specified below;

(*ii*) the income-tax payable shall in no case exceed half the amount by which the total income exceeds the said limit;

(*iii*) the income-tax payable by an individual who is married or a Hindu undivided family whose total income exceeds in either case Rs. 20,000 shall not exceed the aggregate of—

(*a*) the income-tax which would have been payable if the total income had been Rs. 20,000;

(*b*) half the amount by which the total income exceeds Rs. 20,000;

The limit aforesaid shall be—

(*i*) Rs. 6,000 in the case of every Hindu undivided family which as at the end of the previous year satisfies either of the following conditions, namely:—

(*a*) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or

(*b*) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(*ii*) Rs. 3,000 in every other case.

Surcharges on income-tax

The amount of income-tax computed at the rates hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:—

(*a*) A surcharge for purposes of the Union equal to the sum of—

(*i*) five per cent. of the amount of income-tax; and

(*ii*) where the earned income included in the total income exceeds Rs. 1,00,000, ten per cent. of the difference between the amount of income-tax which would have been payable on the whole of the earned income included in the total income if such earned income had been the total income and the amount of income-tax payable on a total income of Rs. 1,00,000;

(*b*) A special surcharge at fifteen per cent. of the difference between the amount of income-tax on the total income and the amount of income-tax on the whole of the earned income, if any,

included in the total income if such earned income had been the total income:

Provided that—

(*i*) no surcharge for purposes of the Union shall be payable where the total income does not exceed the limit specified below;

(*ii*) no special surcharge shall be payable in the case of an assessee whose total income does not include any income from dividend on ordinary shares if his total income does not exceed the limit specified below, and where the total income includes any dividends on ordinary shares, such limit shall be increased by Rs. 1,500 or the amount of the said dividends, whichever is less:

Provided further that—

(*a*) where the total income includes any dividends on ordinary shares, the surcharge for purposes of the Union and the special surcharge shall not in each case exceed half the amount by which the total income exceeds the respective limits applicable in either case;

(*b*) the surcharge for purposes of the Union and the special surcharge, both together, shall not exceed half the amount by which the total income exceeds the limit specified below;

The limit aforesaid shall be—

(*i*) Rs. 15,000 in the case of every Hindu undivided family which satisfies as at the end of the previous year either of the following conditions, namely:—

(*a*) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or

(*b*) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(*ii*) Rs. 7,500 in every other case.

Explanation.—For the purposes of this Paragraph, in the case of every Hindu undivided family governed by the *Mitakshara* law, a son shall be deemed to be entitled to claim partition of the coparcenary property against his father, or grand-father notwithstanding any custom to the contrary.

Paragraph B

In the case of every local authority,—

Rate of income-tax

On the whole of the total income .. 30%

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union of 5 per cent. of the amount of income-tax.

Paragraph C

In every case in which under the provisions of the Income-tax Act, income-tax is to be charged at the maximum rate,—

Rate of income-tax

On the whole of the total income .. 25%

Surcharges on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:—

(*a*) a surcharge for purposes of the Union of five per cent. of the amount of income-tax; and

(*b*) a special surcharge of fifteen per cent. of the amount of income-tax.

Paragraph D

In the case of every company,—

Rate of income-tax

On the whole of the total income .. 20%

Paragraph E

In the case of every registered firm,—

Rates of income-tax

(1) On the first Rs. 40,000 of total income .. *Nil*
(2) On the next Rs. 35,000 of total income .. 5%
(3) On the next Rs. 75,000 of total income .. 6%
(4) On the balance of total income .. 9%

PART II

Super-tax and surcharges on super-tax

Paragraph A

In the case of every individual, Hindu undivided family, unregistered firm and other association of persons, not being a case to which any other Paragraph of this Part applies,—

Rates of super-tax

(1) On the first Rs. 20,000 of total income	*Nil*
(2) On the next Rs. 5,000 of total income	.. 5%
(3) On the next Rs. 5,000 of total income	.. 15%
(4) On the next Rs. 10,000 of total income	.. 20%
(5) On the next Rs. 10,000 of total income	.. 30%
(6) On the next Rs. 10,000 of total income	.. 35%
(7) On the next Rs. 10,000 of total income	.. 40%
(8) On the balance of total income	.. 45%

Surcharges on super-tax

The amount of super-tax computed at the rates hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:—

(*a*) A surcharge for purposes of the Union equal to the sum of—

(*i*) five per cent. of the amount of super-tax; and

(*ii*) where the earned income included in the total income exceeds Rs. 1,00,000, ten per cent. of the difference between the amount of super-tax which would have been payable on the whole of the earned income included in the total income, if such earned income had been the total income and the amount of super-tax payable on a total income of Rs. 1,00,000;

(*b*) A special surcharge at fifteen per cent. of the difference between the amount of super-tax on the total income and the amount of super-tax on the whole of the earned income, if any, included in the total income, if such earned income had been the total income.

Paragraph B

In the case of every local authority,—

Rate of super-tax

On the whole of the total income .. 16%

Surcharge on super-tax

The amount of super-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union of 12½ per cent. of the amount of super-tax.

Paragraph C

In the case of every association of persons being a co-operative society as defined in clause (5B) of section 2 of the Income-tax Act,—

Rates of super-tax

(1) On the first Rs. 25,000 of total income	*Nil*
(2) On the balance of total income	16%

Surcharge on super-tax

The amount of super-tax computed at the rates hereinbefore specified shall be increased by a surcharge for purposes of the Union of 12½ per cent. of the amount of super-tax.

Paragraph D

In the case of every company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956,— 31 of 1956.

Rates of super-tax

On the whole of the total income 55%:

Provided that—

(*i*) a rebate at the rate of 45 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company formed and registered before the 1st day of April, 1961; at the rate of 40 per cent. on so much of the total income as consists of dividends from any other Indian company formed and registered on or after the 1st day of April, 1959; and at the rate of 35 per cent. on the balance of the total income shall be allowed in the case of any company which—

(*a*) in respect of its profits liable to tax under the Income-tax Act for the year ending on the 31st day of March, 1962, has made the prescribed arrangements for the declaration and payment within India of the dividends payable out of such profits in accordance with the provisions of sub-section (3D) of section 18 of that Act; and

(*b*) is such a company as is referred to in sub-section (9) of section 23A of the Income-tax Act with a total income not exceeding Rs. 25,000;

(*ii*) a rebate at the rate of 45 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company formed and registered before the 1st day of April, 1961; at the rate of 35 per cent. on so much of the total income as consists of dividends from any other Indian company formed and registered on or after the 1st day of April, 1959; and at the rate of 30 per cent. on the balance of the total income shall be allowed in the case of any Indian company which satisfies condition (*a*) but not condition (*b*) of the preceding clause;

(*iii*) a rebate at the rate of 45 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company formed and registered before the 1st day of April, 1961; at the rate of 22 per cent. on so much of the total income as consists of dividends from an Indian company, not being a subsidiary, formed and registered on or after the 1st day of April, 1959 and before the 1st day of April, 1961; at the rate of 35 per cent. on so much of the total income as consists of dividends from any Indian company formed and registered on or after the 1st day of April, 1961; at the rate of 25 per cent. on so much of the total income as consists of royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern on or after the 1st day of April, 1961 and which has been approved by the Central Government in this behalf; and at the rate of 12 per cent. on the balance of the total income shall be allowed in the case of any company not entitled to a rebate under either of the preceding clauses:

Provided further that—

(*i*) the amount of the rebate under clause (*i*) or clause (*ii*) of the preceding proviso shall be reduced by the sum, if any, equal to the amount or the aggregate of the amounts, as the case may be, computed as hereunder:—

(*a*)	on the aggregate of the sums computed in the manner provided in clause (*i*) of the second proviso to Paragraph D of Part II of the First Schedule to the Finance Act, 1960 as reduced by the amount, if any, which is deemed to have been taken into account, in accordance with clause (*ii*) of the said proviso, for the purpose of reducing the rebate mentioned in clause (*i*) of the said proviso to *nil* ; and	at the rate of 100%
(*b*)	on the amount representing the face value of any bonus shares or the amount of any bonus issued to its shareholders during the previous year with a view to increasing the paid-up capital;	at the rate of 12½%

13 of 1960.

(*ii*) where the sum arrived at in accordance with clause (*i*) of this proviso exceeds the amount of the rebate arrived at in accordance with clause (*i*) or clause (*ii*), as the case may be, of the preceding proviso, only so much of the amounts of reduction mentioned in sub-clauses (*a*) and (*b*) of clause (*i*) of this proviso as is sufficient, in that order, to reduce the rebate to *nil* shall be deemed to have been taken into account for the purpose:

Provided further that the super-tax payable by a company, the total income of which exceeds rupees twenty-five thousand, shall not exceed the aggregate of—

(*a*) the super-tax which would have been payable by the company if its total income had been rupees twenty-five thousand; and

(*b*) half the amount by which its total income exceeds rupees twenty-five thousand.

Explanation.—For the purposes of this Paragraph, where any portion of the profits and gains of a company is not included in its total income by reason of such portion being agricultural income, the amount representing the face value of any bonus shares and the amount of any bonus issued to its shareholders shall each be deemed to be such proportion thereof as the average of the total income of the company in the five previous years in which the company has been in receipt of taxable income immediately preceding the relevant previous year bears to the average of its total profits and gains (excluding capital receipts) for the preceding five years aforesaid, reduced by such allowances as may be admissible under the Income-tax Act which have not been taken into account by the company in its profit and loss accounts for the preceding five years aforesaid.

Paragraph E

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956,— 31 of 1956.

Rate of super-tax

On the whole of its profits and gains from life insurance business	.. 22·5%

PART III

Rates for deduction of tax under section 18 of the Income-tax Act at the prescribed rates

In every case in which under the provisions of section 18 of the Income-tax Act, tax is to be deducted at the prescribed rates,

deduction shall be made from the income subject to deduction at the following rates:—

	Income-tax			Super-tax	
	Rate of income-tax	Rates of surcharges		Rate of super-tax	Rates of surcharges
		Surcharge for purposes of the Union	Special surcharge		
1. In the case of a person other than a company—					
(*a*) in every case, on the whole income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free), and	25%	1·25%	3·75%		
(*b*) in addition, where the person is one whom the person responsible for paying the income has no reason to believe to be resident in the taxable territories, on the whole income.				Super-tax and surcharges on super-tax in accordance with the provisions of clause (*b*) of sub-section (*1*) of section 17 of the Income-tax Act.	

	Rate of income-tax	Rate of super-tax
2. In the case of a company—		
(*a*) in every case—		
(*i*) on the whole income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free); and	20%	
(*ii*) on the whole income (excluding dividends payable by an Indian company referred to in section 56A of the Income-tax Act); and		10%
(*b*) in addition, where the company is neither an Indian company nor a company which has made the prescribed arrangements for the declaration and payment of dividends within India,—		
(*i*) on the income from dividends (excluding dividends payable by any of its subsidiary Indian companies formed and registered before the 1st day of April, 1961, or by an Indian company referred to in section 56A of the Income-tax Act)—		
(1) on dividends payable by an Indian company, not being a subsidiary, formed and registered on or after the 1st day of April, 1959 and before the 1st day of April, 1961		23%
(2) on dlvidends payable by any Indian company formed and registered on or after the 1st day of April, 1961		10%
(3) on any other dividends		33%
(*ii*) on the income from royalties payable by an Indian concern in pursuance of an agreement which is made by it with the Indian concern on or after the 1st day of April, 1961 and which has been approved by the Central Government in this behalf		20%
(*iii*) on any other income, not being income from dividends.		33%

THE SECOND SCHEDULE

(*See* section 11)

PART I

In the First Schedule to the Tariff Act,—

(*i*) in Item No. 8(2), for the entries in the fourth and sixth columns, the entries "50 per cent. *ad valorem*" and "40 per cent. *ad valorem*", respectively, shall be substituted;

(*ii*) in Item No. 9(3), for the entries in the fourth and sixth columns, the entries "100 per cent. *ad valorem*" and "92½ per cent. *ad valorem*", respectively, shall be substituted;

(*iii*) in Item No. 9(5), for the entries in the fourth and sixth columns, the entries "Rs. 3·07 per kilogram" and "Rs. 3·00 per kilogram", respectively, shall be substituted;

(*iv*) in Item No. 12(4), in the third column, the word "Revenue" shall be inserted, and for the entry in the fourth column, the entry "50 per cent. *ad valorem*" shall be substituted;

(*v*) in Item No. 22(3), for the entries in the fourth column against sub-items (*a*) and (*b*), the entries "Rs. 23·50 per litre" and "Rs. 14·70 per litre", respectively, shall be substituted;

(*vi*) in Item No. 22(4),—

(*1*) for the entry in the fourth column against sub-item (*a*), the entry "Rs. 44·00 per litre of the strength of London proof or 170 per cent. *ad valorem*, whichever is higher" shall be substituted;

(*2*) for the entry in the fourth column against sub-item (*b*) (*i*), the entry "Rs. 58·70 per litre or 170 per cent. *ad valorem*, whichever is higher, plus the excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty" shall be substituted;

(*3*) for the entry in the fourth column against sub-item (*b*) (*ii*), the entry "Rs. 44·00 per litre of the strength of London proof or 170 per cent. *ad valorem*, whichever is higher, plus the excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty" shall be substituted;

(*vii*) in Items Nos. 22(5)(b)(i) and 22(5)(b)(ii), in each of the entries in the fourth, fifth and sixth columns, the words

"plus the excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty" shall be added at the end;

(*viii*) in Item No. 24(3), for the entries in the fourth and sixth columns, the entry "Rs. 33·00 per kilogram" shall be substituted;

(*ix*) in Item No. 28A, in each of the entries in the fourth, fifth and sixth columns, the words "plus the excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty" shall be added at the end;

(*x*) in Items Nos. 28(3) and 39, for the entry against each of them in the fourth column, the entry "10 per cent. *ad valorem*" shall be substituted;

(*xi*) in Items Nos. 28(4), 28(14), 28(30), 28(34), 30(1), 30(13), 30(15), 30(16), 47(3), 47(4), 47(5), 47(6), 48(3), 48(7), 48(8), 48(9) and 70(1), in the entry against each of them in the fourth column, the words "plus the excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty" shall be added at the end;

(*xii*) in Items Nos. 28(8) and 66(b), for the entry against each of them in the fourth column, the entry "50 per cent. *ad valorem* plus the excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty" shall be substituted;

(*xiii*) in Item No. 30, for the figures "40" and "30" in the fourth and fifth columns, the figures "50" and "40", respectively, shall be substituted;

(*xiv*) in Items Nos. 31, 31(2), 31(3), 45(b), 45(c) and 71(b), for the entry against each of them in the fourth column, the entry "75 per cent. *ad valorem*" shall be substituted;

(*xv*) in Item No. 31(1), for the entries in the fourth and sixth columns, the entries "75 per cent. *ad valorem*" and "65 per cent. *ad valorem*", respectively, shall be substituted;

(*xvi*) in Items Nos. 39(1), 39(2), 39(3), 40, 63(28) and 87, for the entry against each of them in the fourth column, the entry "50 per cent. *ad valorem*" shall be substituted;

(*xvii*) in Item No. 44, for the figures "40" in the fourth column, the figures "50" shall be substituted;

(*xviii*) in Items Nos. 45(a), 53, 80 and 81, for the entry against each of them in the fourth column, the entry "100 per cent. *ad valorem*" shall be substituted;

(*xix*) in Items Nos. 72, 72(1), 72(2) and 72(3), for the entry against each of them in the fourth column, the entry "15 per cent. *ad valorem*" shall be substituted;

(*xx*) in Items Nos. 73, 73(1) and 77, for the entries against each of them in the fourth and fifth columns, the entries "50 per cent. *ad valorem*" and "40 per cent. *ad valorem*", respectively, shall be substituted;

(*xxi*) in Items Nos. 73(21), 73(22) and 75(19), for the entry against each of them in the fourth column, the following entry shall be substituted, namely:—

"The excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty; and the duty so leviable shall be in addition to the duty which would have been levied if this entry had not been inserted.";

(*xxii*) in Items Nos. 74(2) and 74(3), for the entry against each of them in the fourth column, the entry "25 per cent *ad valorem*" shall be substituted; and

(*xxiii*) in Item No. 75(1), for the figures "75" in the fourth column, the figures "100" shall be substituted.

Item No.	Name of Article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty
				The United Kingdom	A British Colony	
1	2	3	4	5	6	7
In the First Schedule to the Tariff Act,—						
(*i*) after Item No. 12(4), the following Item shall be inserted, namely :—						
" 12(4A)	Malt	Revenue	100 per cent. *ad valorem*	..	..	.. ";
(*ii*) after Item No. 59(6), the following Item shall be inserted, namely :—						
" 59 (7)	China and Porcelainware, all sorts,— (1) Tableware. (2) Sanitaryware. (3) Glazed tiles. (4) Not otherwise specified.	Revenue	The excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty ; and the duty so leviable shall be in addition to the duty which would have been levied if this entry had not been inserted.	..	..	.. ";
(*iii*) after Item No. 60(8), the following Item shall be inserted, namely :—						
'60(9)	Glass and glassware,— (1) Sheet glass and Plate glass. (2) Laboratory glassware. (3) Glass shells, glass globes and chimneys for lamps and lanterns.	Revenue	The excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty ; and the duty	..	..	.. ";

(4) Other glassware including tableware.			so leviable shall be in addition to the duty which would have been levied if this entry had not been inserted.			

(*iv*) after Item No. 63(14), the following Item shall be inserted, namely :—

" 63(14A) High carbon steel strips of thickness ·5 mm. or below.	Preferential Revenue.	50 per cent. *ad valorem.*	40 per cent. *ad valorem.*	..	..	";"

(*v*) after Item No. 64(5), the following Item shall be inserted, namely :—

" 64(6) Copper and copper alloys containing not less than fifty per cent. by weight of copper—	Revenue	The excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty ; and the duty so leviable shall be in addition to the duty which would have been levied if this entry had not been inserted.	..	..	..	";"
(1) Manufactures, the following, namely, plates, sheets, circles, strips and foils in any form or size.						
(2) Pipes and tubes.						

(*vi*) after Item No. 68(4), the following Item shall be inserted, namely :—

" 68(5) Zinc—	Revenue	The excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty ; and the duty so leviable shall be in addition to the duty which would have been levied if this entry had not been inserted.	..	..	..	";"
(1) Manufactures, the following, namely, plates, sheets, circles, strips and foils in any form or size.						
(2) Pipes and tubes.						

1	2	3	4	5	6	7
(*vii*) after Item No.72(40), the following Item shall be inserted, namely :—						
" 72(41)	Refrigerators and parts thereof, such as are specially designed for use with refrigerators ; and air conditioning machinery, all sorts.	Revenue	The excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty ; and the duty so leviable shall be in addition to the duty which would have been levied if this entry had not been inserted.	..	..	.. " ;
(*viii*) after Item No. 73(4), the following Item shall be inserted, namely :—						
" 73(4A)	Wireless receiving sets, all sorts, including transistor sets and radiograms, with or without loudspeaker.	Revenue	The excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty ; and the duty so leviable shall be in addition to the duty which would have been levied if this entry had not been inserted.	..	..	.. " ;
(*ix*) after Item No. 73(22), the following Item shall be inserted, namely :—						
" 73(23)	Nichrome and other electrical resistance wires and strips.	Revenue	100 per cent. *ad valorem*.	..	..	.. ";
(*x*) after Item No. 82(5), the following Item shall be inserted, namely :						
" 82(6)	(A) Plastics, all sorts— (*i*) Moulding powders, granules and flakes (thermosetting and thermoplastic),	Revenue	The excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is	..	..	.. " ;

(*ii*) Polyethylene films, layflat tubings and P.V.C sheets (that is to say, Polyvinyl Chloride sheets).			leviable at different rates, the highest duty ; and the duty so leviable shall be in addition to the duty which would have been levied if this entry had not been inserted.			
(B) Cellophane . . .	Revenue	.	The excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty ; and the duty so leviable shall be in addition to the duty which would have been levied if this entry had not been inserted.	..	..	..

STATEMENT OF OBJECTS AND REASONS

The object of this Bill is to give effect to the financial proposals of the Central Government for the next financial year and to provide for certain connected matters. The Notes on Clauses explain the various provisions contained in the Bill.

MORARJI DESAI.

NEW DELHI;

The 28th February, 1961.

Notes on Clauses

Clause 2 prescribes the rates of income-tax and super-tax for purposes of assessment for the financial year 1961-62 and for deduction of tax at source from interest on securities, dividends etc., during the same year. In the cases of assessees other than companies, the only change is that the rate of surcharge on earned income above Rs. 1 lakh has been raised from 5 per cent. to 10 per cent. of the amount of income-tax and super-tax.

In the case of companies,—

(*i*) the rate of income-tax is the same as in the last year, *i.e.*, 20 per cent. for all companies;

(*ii*) the effective rate of super-tax applicable to income other than dividends of an Indian company in which the public are substantially interested and whose total income does not exceed Rs. 25,000 and of any other Indian company also remains the same as in the last year, *i.e.*, 20 per cent. and 25 per cent. respectively,

(*iii*) the effective rate of super-tax applicable to income, other than dividends and certain royalties, of such foreign companies as do not declare their dividends in India continues to remain the same as in the last year, *i.e.*, 43 per cent.;

(*iv*) The effective rates of super-tax on dividends received by a company (Indian or foreign) from an Indian company formed and registered before the 1st April, 1961 will be the same as for the financial year 1960-61. In the case of dividends payable by an Indian company formed and registered on or after the 1st April, 1961, the effective rates of super-tax have been fixed at 15 per cent. in the case of an Indian company in which the public are substantially interested and whose income does not exceed Rs. 25,000, and at 20 per cent. in the case of all other companies, Indian or foreign;

(*v*) the effective rate of super-tax on royalties received by a foreign company (which does not declare dividends in India) from an Indian concern in pursuance of an agreement made by the former with the Indian concern on or after the 1st April, 1961 which has been approved by the Central Government, has been fixed at 30 per cent;

(*vi*) the effective rate at which super-tax is payable with reference to bonus issues has been reduced from 30 per cent. to 12½ per cent.

The rates for deduction of tax at source remain the same as in the financial year 1960-61 except that in the case of dividends and certain royalties payable to foreign companies which do not declare their dividends in India, the rates have been fixed at the rates corresponding to those mentioned in (*iv*) and (*v*) above.

Clause 3 makes the following amendments to sub-section (3) of section 4 of the Income-tax Act:—

Sub-clause (*i*) inserts a new clause (iia) to provide for exemption from tax in the case of the income of an association or institution established in India wholly for controlling, supervising, regulating or encouraging in India the games of cricket, hockey, football, tennis and such other games or sports as may be specified by the Central Government from time to time in the Official Gazette.

Sub-clause (*ii*) amends clause (xiva) to secure that the exemption from tax in respect of the salary received by a foreign technician whose contract of service has been approved by the Central Government will be available for a period of 36 months from the date of his arrival in India and that if for a further period not exceeding twenty four months, the tax in respect of his salary is paid to the Central Government by his employer, such tax shall not be treated as a part of the technician's total income.

Sub-clause (*iii*) amends clause (xvi) to extend to the Development Loan Fund of the United States of America the exemption available at present to the International Bank for Reconstruction and Development, in respect of interest received from an industrial undertaking or financial corporation, in certain circumstances.

Clause 4 amends section 7 of the Income-tax Act to provide exemption from tax in respect of retiring gratuity received after the 1st June, 1953 by the members of Defence Services under the New Pension Code.

Clause 5 amends section 9 of the Income-tax Act to provide that in respect of a building erected on or after the 1st day of April, 1961 and which is let on rent to tenants, the annual value of each residential unit shall be reduced by the amount of its annual value or Rs. 600, whichever is less, for a period of three years from the completion of the building.

Clause 6 makes the following amendments in sub-section (2) of section 10 of the Income-tax Act:—

Sub-clause (*i*) amends clause (vi) to secure that in respect of buildings erected after the 31st March, 1961 by an employer for the residence of persons employed in the business carried on by him and receiving remuneration not exceeding Rs. 200 per month, an initial depreciation of 20 per cent. of the actual cost of the buildings will be allowed for the year of their erection.

Sub-clause (*ii*) makes an amendment to clause (vib) to secure that in respect of new plant or machinery installed on or after the 1st April, 1961, the development rebate will be admissible at the rate of 20 per cent. of the actual cost thereof. In the case of new ships, however, the existing rate of 40 per cent. remains unchanged.

Sub-clause (*iii*) inserts a new clause (vic) to provide that subject to certain conditions where a company is amalgamated with another company or where a firm is converted into a private company and ship, machinery or plant on which development rebate is admissible to the predecessor is transferred by the predecessor to the successor, the development rebate already allowed in respect of the asset transferred will not be withdrawn and any unutilised portion of the development rebate shall be available to the successor.

Sub-clause (*iv*) inserts a new clause (xiva) to enable an approved financial corporation engaged in providing long term finance for industrial development to claim as a deduction from its taxable profits, amounts appropriated to a special reserve account, not exceeding 10 per cent. of the total income till the amount carried to the reserve account equals the paid-up capital of the corporation.

Sub-clause (*v*) amends clause (xv) to provide that no allowance on account of expenses for entertainment shall be made in the case of an assessee other than a company and, further, that in the case of companies, the amount allowable shall be restricted to certain specified limits.

Clause 7 extends the benefit of the five year tax holiday at present enjoyed by new industrial undertakings under section 15C to new hotels which start functioning on or after the 1st April, 1961 and satisfy certain conditions and also amends sub-section (4) to enable the Central Board of Revenue to prescribe rules for computing the amount of the dividend exempt under the said sub-section.

Clause 8 amends section 23A of the Income-tax Act to secure that the provisions of that section shall not be applicable to a company in which at least 75 per cent. of the share capital is held by charitable institutions or funds income whereof is exempt under clause (i) of sub-section (3) of section 4 of the Income-tax Act.

Clause 9 makes amendments to section 35 of the Income-tax Act, consequential to the amendments proposed in sub-clause (iii) of clause 6.

Clause 10 amends section 56A of the Income-tax Act by extending the application of that section to the dividends paid by an Indian company engaged in the manufacture of refractories.

Clause 11 read with the Second Schedule seeks to increase the import duties on certain items. The principal changes are:—

(i) the duty on betelnuts is proposed to be increased by approximately 36%;

(ii) the duty on tobacco, unmanufactured, is proposed to be increased by approximately 50%;

(iii) the duty on textile manufactures, not otherwise specified, is proposed to be raised from 50% to 100%;

(iv) the duty on iron and steel manufactures, not otherwise specified, is proposed to be raised from 35% to 50%;

(v) the duty on certain items of machinery and their component parts is proposed to be raised from 10% to 15%;

(vi) the duty on electrical as well as certain non-electrical instruments, apparatus and appliances is proposed to be increased by 25% to 33%;

(vii) the duty on certain railway materials is proposed to be raised from 20% to 25%;

(viii) increases in duty are proposed on the residuary tariff item "All other articles not otherwise specified" and on various other less important articles;

(ix) on a number of articles on which Central excise duties have been imposed or are being levied at present, provision is being made for the levy of a countervailing import duty. This is necessary in order that the indigenous producer or manufacturer of these articles is not placed at a disadvantage in comparison with the importer.

Clause 12 seeks to maintain for another year the *status quo* in regard to commitments under the General Agreement on Tariffs and Trade.

Clause 13—

Sub-clause (a) proposes an increase in the rate of excise duty on coffee.

Sub-clause (b) (1) seeks to substitute the existing rates of excise duty on flue cured tobacco used in the manufacture of cigarettes by a single flat rate of duty and also proposes an increase in the rates of duty on certain forms of other than flue cured tobacco and on stalks.

Sub-clause (b) (2) proposes an increase in the rates of duty on certain high priced cigarettes and also seeks to rationalise the rates of duty on cigars and cheroots.

Sub-clause (c) seeks to increase the rate of excise duty on kerosene.

Sub-clause (d) proposes an increase in the rate of excise duty on diesel oil not otherwise specified.

Sub-clause (e) proposes an increase in the excise duty on vegetable product.

Sub-clause (f) proposes an increase in the rates of excise duties on pigments, colours, paints, enamels, varnishes, blacks and cellulose lacquers.

Sub-clause (g) proposes to levy an excise duty on soda ash, caustic soda, glycerine, coal tar dyes, patent or proprietary medicines not containing alcohol and certain cosmetics and toilet preparations.

Sub-clause (h) proposes to levy an excise duty on plastics and on cellophane.

Sub-clause (i) proposes an increase in the rates of duty on all varieties of paper except printing and writing paper.

Sub-clause (j) proposes to levy an excise duty on cotton yarn and woollen yarn.

Sub-clause (k) proposes to levy an excise duty on glass and glassware and china and porcelainware.

Sub-clause (l) proposes to levy an excise duty on certain manufactures of copper and its alloys and of zinc.

Sub-clause (m) seeks to levy an excise duty on aluminium pipes and tubes.

Sub-clause (n) proposes to levy an excise duty on air conditioning machinery.

Sub-clause (o) proposes to levy an excise duty on wireless receiving sets.

Sub-clause (p) proposes an increase in the permissible limit of the excise duty on matches from 57 to 65 nP per 1000 matches or fraction thereof.

Sub-clause (q) proposes to levy an excise duty on refrigerators and parts thereof.

Clause 14 seeks to make certain amendments in the Central Sales Tax Act, 1956 consequent on the proposal to levy an additional duty of excise in lieu of sales tax on silk fabrics.

Clause 15 proposes to levy an additional duty of excise in lieu of sales tax on silk fabrics and seeks to make consequential amendments in the Additional Duties of Excise (Goods of Special Importance) Act, 1957. It also seeks to make certain changes in the rates of additional excise duty on cigars and cheroots and on cigarettes.

Clause 16 seeks to make certain amendments to the entry relating to policies of insurance in Schedule I to the Indian Stamp Act, 1899, in order to remove certain difficulties which have arisen as a result of the decimalisation of the stamp duty.

Clause 17, like section 23 of the Finance Act, 1960 provides that salt shall be duty free for another year.

FINANCIAL MEMORANDUM

The Bill seeks to levy new excise duties on—

1. Soda ash
2. Caustic soda
3. Glycerine
4. Coal tar dyes.
5. Cosmetics and toilet preparations
6. Patent or proprietary medicines
7. Plastics
8. Cellophane
9. Cotton yarn
10. Woollen yarn
11. China and porcelainware.
12. Glass and glassware
13. Copper and alloys of copper
14. Zinc
15. Aluminium pipes and tubes
16. Wireless receiving sets
17. Air conditioning machinery
18. Refrigerators

These levies will necessitate the employment of some additional staff. The increase in staff together with incidental expenses of administration is estimated to cost Rs. 10·55 lakhs per annum.

I. *Volume of work*:

There are about 800 units which are now to be brought under excise control.

II. *Requirement of personnel and finance*:

For the field organisation

	No.	*Annual emoluments*	*Cost*
		Rs.	Rs.
A. Officers—			
Assistant Collectors . . .	2	2 × 8,880	17,760
Superintendents—			
Class I	4	4 × 8,880	35,520
Class II	6	6 × 7,056	42,336

	No.	*Annual emoluments*	*Cost*
		Rs.	Rs.
B. Staff—			
Deputy Superintendents (Executive)	40	40 × 5,775	2,31,000
Inspectors	60	60 × 3,746	2,24,760
Sub-Inspectors	60	60 × 1,832	1,09,920
Dy. Superintendents (Ministerial)	2	2 × 4,710	9,420
Head Clerks	10	10 × 3,746	37,460
Upper Division Clerks	28	28 × 2,548	71,344
Lower Division Clerks	30	30 × 1,804	54,120
Stenotypists	12	12 × 2,044	24,528
C. Incidental expenses including Class IV staff, contingencies, etc.			1,40,000
TOTAL		Rs.	9,98,168
		or Rs. 10·00 lakhs.	

For the Office of the Central Board of Revenue

A. Officers—			
Under Secretary	1	1 × 13,140	13,140
Section Officer	1	1 × 7,800	7,800
B. Staff—			
Assistants	4	4 × 3,864	15,456
Stenographer	1	1 × 3,864	3,864
Upper Division Clerk	1	1 × 2,548	2,548
Lower Division Clerks	4	4 × 1,804	7,216
C. Incidental expenses including Class IV staff, contingencies, etc.			5,000
TOTAL		Rs.	55,024
		or Rs. 55,000·00	

GMGIPND—T. S. Wing—417 M of Fin.—25-2-1961—5,000

LOK SABHA

A

BILL

to give effect to the financial proposals of the Central Government for the financial year 1961-62.

The President has, in pursuance of clauses (1) and (3) of article 117 and clause (1) of article 274 of the Constitution of India, recommended to the Lok Sabha, the introduction and consideration of the Bill.

M. N. KAUL,
Secretary.

(*Shri Morarji Desai,*
Minister of Finance.)

GOVERNMENT OF INDIA

SUMMARY

OF

DEMANDS FOR GRANTS

FOR

1961-62

(The recommendation of the President required under Article 113(3) of the Constitution of India has been obtained)

PRINTED IN INDIA BY THE GENERAL MANAGER,
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NOTE

Under Article 113 (2) of the Constitution, the estimates of expenditure to be met from the Consolidated Fund of India, other than expenditure "Charged" upon the Fund, are to be submitted in the form of Demands for Grants for obtaining the vote of the Lok Sabha. Rule 206 of the Rules of Procedure and Conduct of Business in Lok Sabha, 1957 lays down that, subject to the discretion of the Minister of Finance, a separate Demand shall ordinarily be made for each Ministry of the Government and that each Demand shall contain, first, a statement of the total grant proposed and then a statement of the detailed estimates under each grant divided into items.

2. The Demands for Grants of the Central Government have been arranged by Ministries on whose behalf they are presented and have been included in separate Volumes for each Ministry. At the commencement of the Demands relating to a Ministry a statement has been added where necessary, giving, for facility of reference, the total expenditure controlled by the Ministry and expenditure included in the various Demands presented on its behalf. The estimates of expenditure "Charged" upon the Consolidated Fund of India and which, in accordance with Article 113(1) of the Constitution, are not submitted to the vote of Lok Sabha have also been indicated in italics in the respective Demands. The estimated recoveries of expenditure, if any, have been indicated in a 'Note' below each Demand for Grant. Since these are excluded from the demands they are not available for spending by the controlling authorities. Part III of each Demand shows the distribution of the estimates among the various Circles of Account *viz.* "India", "Andhra Pradesh" etc. in which the transactions are to be adjusted. A Summary of the Demands for Grants and Charged Appropriations is given in this Volume so as to bring all the Demands in one place.

3. The accounts for the year 1959-60 have not been closed. The figures of actuals for that year shown in the Demands are therefore provisional.

SUMMARY
OF
DEMANDS FOR GRANTS,
1961-62

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)	Budget Estimates, 1960-61 (3)	Revised Estimates, 1960-61 (4)	Budget Estimates, 1961-62 (5)	Head of Account (6)
I.—EXPENDITURE MET FROM REVENUE					
	Ministry of Commerce and Industry				
1	Ministry of Commerce and Industry. Voted .	76,72	78,10	77,31	General Administration,
2	Industries. Voted .	26,12,54	23,74,86	19,74,62	Industries and Supplies.
3	Salt Voted .	52,41	52,41	53,68	Industries and Supplies.
	Charged	*83*	*46*	..	
	TOTAL .	53,24	52,87	53,68	
4	Commercial Intelligence and Statistics. Voted .	84,03	84,00	93,28	Miscellaneous Departments.
5	Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry Voted .	2,46,29	2,37,14	2,35,86	Miscellaneous Departments and Miscellaneous.
	Ministry of Community Development and Co-operation				
6	Ministry of Community Development and Co-operation. Voted .	29,83	27,93	30,54	General Administration.
7	Community Development Projects, National Extension Service and Co-operation. Voted .	23,74,34	23,72,77	3,00,62	Community Development and Co-operation.
	Ministry of Defence				
8	Ministry of Defence . Voted .	42,09	42,08	43,83	General Administration.
9	Defence Services, Effective—Army. Voted .	2,00,99,40	1,98,42,23	2,08,31,62	Defence Services.
	Charged	*10,00*	*10,00*	*10,00*	Defence Services.
	TOTAL .	2,01,09,40	1,98,52,23	2,08,41,62	Defence Services.
10	Defence Services, Effective—Navy. Voted .	19,55,29	18,88,11	20,04,65	Defence Services.
	Charged	*50*	*57*	*50*	Defence Services.
	TOTAL .	19,55,79	18,88,68	20,05,15	
TOTAL—CARRIED OVER	Voted	2,75,72,94	2,69,99,63	2,56,46,01	
	Charged	*11,33*	*11,03*	*10,50*	
	TOTAL .	2,75,84,27	2,70,10,66	2,56,56,51	

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)		Budget Estimates, 1960-61 (3)	Revised Estimates, 1960-61 (4)	Budget Estimates, 1961-62 (5)	Head of Account (6)
	TOTAL—BROUGHT FORWARD	Voted .	2,75,72,94	2,69,99,63	2,56,46,01	
		Charged	*11,33*	*11,03*	*10,50*	
	TOTAL	.	2,75,84,27	2,70,10,66	2,56,56,51	
11	Defence Services, Effective—Air Force.	Voted.	62,69,44	60,27,55	62,93,48	Defence Services.
		Charged	*50*	*50*	*50*	
	TOTAL	.	62,69,94	60,28,05	62,93,98	
12	Defence Services—Non-effective Charges.					
		Voted .	15,40,46	14,44,29	18,59,95	
		Charged	*80,74*	*80,41*	*5*	
		TOTAL	16,21,20	15,24,70	18,60,00	
	Ministry of Education					
13	Ministry of Education.	Voted .	42,36	41,69	42,31	General Administration.
14	Education.	Voted .	35,64,94	35,40,03	16,79,35	Education.
15	Miscellaneous Departments and Expenditure under the Ministry of Education.	Voted .	3,82,34	3,23,57	2,93,93	Miscellaneous Departments and Miscellaneous.
	Ministry of External Affairs					
16	Tribal Areas	Voted .	10,27,74	10,11,01	10,77,09	Tribal Areas.
17	Naga Hills—Tuensang Area	Voted .	3,26,09	3,26,09	3,72,58	Tribal Areas.
18	External Affairs					
		Voted .	11,85,59	11,83,01	12,24,84	General Administration and External Affairs.
19	State of Pondicherry	.				
		Voted .	3,43,04	3,31,30	4,31,78	Miscellaneous.
		Charged	*5*	*1*	*1*	
	TOTAL	.	3,43,09	3,31,31	4,31,79	
	TOTAL—CARRIED OVER	Voted .	4,22,54,94	4,12,28,17	3,89,21,32	
		Charged	*92,62*	*91,95*	*11,06*	
	TOTAL	.	4,23,47,56	4,13,20,12	3,89,32,38	

(Amount in thousands of Rs.)

No. of Demand	Service, Administration or Area to which Demand relates		Budget Estimates, 1960-61	Revised Estimates, 1960-61	Budget Estimates, 1961-62	Head of Account
(1)	(2)		(3)	(4)	(5)	(6)
TOTAL BROUGHT FORWARD—		Voted .	4,22,54,94	4,12,28,17	3,89,21,32	
		Charged	*92,62*	*91,95*	*11,06*	
		TOTAL .	4,23,47,56	4,13,20,12	3,89,32,38	
20	Miscellaneous Expenditure under the Ministry of External Affairs .	Voted .	4,91	4,72	3,27,12	Miscellaneous.
	Ministry of Finance					
21	Ministry of Finance	Voted .	1,67,82	1,69,39	1,75,02	General Administration.
22	Customs	Voted .	3,94,13	3,82,68	4,02,02	Customs.
		Charged	*40*	*40*	*40*	
		TOTAL .	3,94,53	3,83,08	4,02,42	
23	Union Excise Duties	Voted .	8,84,04	8,67,27	8,95,25	Union Excise Duties.
		Charged	*74,52,67*	*75,10,41*	*50*	
		TOTAL .	83,36,71	83,77,68	8,95,75	
24	Taxes on Income including Corporation tax, etc.	Voted .	5,95,95	5,82,63	5,92,62	Corporation Tax, Taxes on Income etc.
		Charged	*1,30*	*1,28*	*1,27*	
		TOTAL .	5,97,25	5,83,91	5,93,89	
25	Opium	Voted .	4,98,30	4,68,32	5,40,85	Opium
26	Stamps	Voted .	2,49,22	2,48,97	2,66,59	Stamps.
		Charged	*10,08*	*10,08*	..	
		TOTAL .	2,59,30	2,59,05	2,66,59	
27	Audit	Voted .	11,94,69	11,90,77	11,91,35	Audit.
		Charged	*22,24*	*21,97*	*22,22*	
		TOTAL	12,16,93	12,12,74	12,13,57	
28	Currency	Voted .	3,62,31	4,23,97	5,23,59	Currency.
		Charged	*17,51*	*15,83*	..	
		TOTAL .	3,79,82	4,39,80	5,23,59	
29	Mint	Voted	6,59,77	6,59,78	6,90,82	Mint.
30	Territorial and Political Pensions	Voted .	23,46	23,46	23,58	Territorial and Political Pensions.
31	Superannuation Allowances and Pensions.	Voted .	4,25,00	4,38,01	4,75,09	Superannuation Allowances and pensions.
		Charged	*35,47*	*35,87*	*14,93*	
		TOTAL .	4,60,47	4,73,88	4,90,02	
TOTAL—CARRIED OVER.		Voted .	4,77,14,54	4,66,88,14	4,50,25,22	
		Charged	*76,32,29*	*76,87,79*	*50,38*	
		TOTAL .	5,53,46,83	5,43,75,93	4,50,75,60	

(Amount in thousands of Rs.)

No. of Demand	Service, Administration or Area to which Demand relates	Budget Estimates, 1960-61	Revised Estimates, 1960-61	Budget Estimates, 1961-62	Head of Account
(1)	(2)	(3)	(4)	(5)	(6)
	TOTAL—BROUGHT FORWARD Voted	4,77,14,54	4,66,88,14	4,50,25,22	
	Charged	*76,32,29*	*76,87,79*	*50,38*	
	TOTAL	5,53,46,83	5,43,75,93	4,50,75,60	
32	Miscellaneous Departments and other Expenditure under the Ministry of Finance. Voted	73,80,77	63,66,18	14,43,87	Distributed over respective heads of Account.
33	Planning Commission Voted	2,53,98	2,47,47	87,41	Miscellaneous Community Development.
34	Grants-in-aid to States Voted	..	..	1,75,84,30	Grants-in-aid to States.
	Charged	*51,65,00*	*51,65,00*	*44,80,00*	
	TOTAL	51,65,00	51,65,00	2,20,64,30	
35	Miscellaneous Adjustments between the Union and State Governments. Voted	16,14	22,34	22,33	Miscellaneous Adjustments between Union and State Governments.
36	Pre-partition Payments Voted	38,42	33,70	16,75	Pre-partition payments.
	Charged	*13,48*	*10,48*	*14,78*	
	TOTAL	51,90	44,18	31,53	
	Interest on Debt and Other Obligations and Reduction or Avoidance of Debt.				
	Charged	*1,96,79,76*	*1,94,09,85*	*2,18,61,93*	Interest on Debt and other obligations and Reduction or Avoidance of Debt.
	Payments of States' Share of Union Excise Duties				
	Charged	..	..	*76,33,15*	Payments of States' Share of Union Excise Duties.
	Ministry of Food and Agriculture				
37	Ministry of Food and Agriculture. Voted	75,48	71,27	74,37	General Administration.
38	Forest Voted	2,80,00	2,66,32	96,41	Forest.
39	Agriculture. Voted	10,54,02	10,54,02	4,29,85	Agriculture.
	TOTAL—CARRIED OVER Voted	5,68,13,35	5,47,49,44	6,47,80,51	
	Charged	*3,24,90,53*	*3,22,73,12*	*3,40,40,24*	
	TOTAL	8,93,03,88	8,70,22,56	9,88,20,75	

(Amount in thousands of Rs.)

No. of Demand	Service, Administration or Area to which Demand relates	Budget Estimates, 1960-61	Revised Estimates, 1960-61	Budget Estimates, 1961-62	Head of Account
(1)	(2)	(3)	(4)	(5)	(6)
	TOTAL—BROUGHT FORWARD				
	Voted . .	5,68,13,35	5,47,49,44	6,47,80,51	
	Charged .	*3,24,90,53*	*3,22,73,12*	*3,40,40,24*	
	TOTAL . .	8,93,03,88	8,70,22,56	9,88,20,75	
40	Agricultural Research. Voted	5,22,99	5,16,47	6,25,63	Agriculture.
41	Animal Husbandry Voted . .	2,80,99	2,64,73	1,08,46	Animal Husbandry.
42	Miscellaneous Departments and Other Expenditure under the Ministry of Food and Agriculutre. Voted	12,73,89	13,01,25	11,66,68	Distributed over respective heads of Account.
	Charged .	*7,17*	*7,17*	*7,02*	
	TOTAL . .	12,81,06	13,08,42	11,73,70	
	Ministry of Health				
43	Ministry of Health Voted . .	18,01	17,61	16,68	General Administration.
44	Medical and Public Health Voted . .	28,04,24	25,65,87	10,80,16	Medical and Public Health.
45	Miscellaneous Departments and Expenditure under the Ministry of Health. Voted . .	93,83	93,83	1,06,72	Miscellaneous Departments and Miscellaneous.
	Ministry of Home Affairs				
46	Ministry of Home Affairs Voted . .	3,33,99	3,30,62	3,51,77	General Administration.
47	Cabinet. Voted . .	37,81	37,78	37,24	
48	Zonal Councils Voted . .	2,74	2,51	2,43	
49	Administration of Justice Voted . .	2,45	2,55	2,45	Administration of Justice.
	Charged . .	*17,83*	*17,73*	*20,13*	
	TOTAL . .	20,28	20,28	22,58	
50	Police Voted . .	7,21,05	8,07,58	7,09,85	Police.
51	Census Voted . .	1,52,32	2,02,31	3,34,02	Miscellaneous Departments.
52	Statistics Voted. .	1,89,90	1,88,36	1,57,44	Do.
53	Privy Purses and Allowances of Indian Rulers				
	Voted . .	5,72	5,32	5,21	Privy Purses, etc.
	Charged .	*5,38,87*	*5,49,05*	*5,39,57*	
	TOTAL . .	5,44,59	5,54,37	5,44,78	
	TOTAL—CARRIED OVER				
	Voted . .	6,32,53,28	6,10,86,23	6,94,85,25	
	Charged .	*3,30,54,40*	*3,28,47,07*	*3,46,06,96*	
	TOTAL . .	9,63,07,68	9,39,33,30	10,40,92,21	

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)		Budget Estimates, 1960-61 (3)	Revised Estimates, 1960-61 (4)	Budget Estimates, 1961-62 (5)	Head of Account (6)
	TOTAL BROUGHT FORWARD	Voted	6,32,53,28	6,10,86,23	6,94,85,25	
		Charged	*3,30,54,40*	*3,28,47,07*	*3,46,06,96*	
	TOTAL		9,63,07,68	9,39,33,30	10,40,92,21	
54	Delhi	Voted	12,56,16	12,56,29	14,84,28	Distributed over respective heads of account.
		Charged	*30*	*12*	*12*	
	TOTAL		12,56,46	12,56,41	14,84,40	
55	Himachal Pradesh.	Voted	6,93,84	7,73,46	9,49,40	
		Charged	*2,77*	*3,71*	..	
	TOTAL		6,96,61	7,77,17	9,49,40	
56	Andaman and Nicobar Islands.	Voted	2,96,80	2,75,93	2,97,97	
57	Manipur	Voted	3,27,46	3,87,02	3,99,46	
		Charged	*1,34*	*1,27*	..	
	TOTAL		3,28,80	3,88,29	3,99,46	
58	Tripura	Voted	4,26,30	4,76,23	6,26,85	
		Charged	*1,22*	*1,22*	..	
	TOTAL		4,27,52	4,77,45	6,26,85	
59	Laccadive, Minicoy and Amindivi Islands.	Voted	23,59	19,62	27,43	
60	Miscellaneous Departments and Expenditure under the Ministry of Home Affairs.	Voted	10,55,88	11,80,91	69,70	Miscellaneous Departments and Miscellaneous.
	Ministry of Information and Broadcasting					
61	Ministry of Information and Broadcasting.	Voted	13,83	13,67	14,32	General Administration.
62	Broadcasting.	Voted	5,13,95	4,85,14	5,61,12	Broadcasting.
63	Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting.	Voted	3,80,64	3,68,07	4,01,48	Miscellaneous Departments and Miscellaneous.
	TOTAL—CARRIED OVER	Voted	6,82,41,73	6,63,22,57	7,43,17,26	
		Charged	*3,30,60,03*	*3,28,53,39*	*3,46,07,08*	
	TOTAL		10,13,01,76	9,91,75,96	10,89,24,34	

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)	Budget Estimates, 1960-61 (3)	Revised Estimates, 1960-61 (4)	Budget Estimates, 1961-62 (5)	Head of Account (6)
	TOTAL—BROUGHT FORWARD Voted	6,82,41,73	6,63,22,57	7,43,17,26	
	Charged	*3,30,60,03*	*3,28,53,39*	*3,46,07,08*	
	TOTAL	10,13,01,76	9,91,75,96	10,89,24,34	
	Ministry of Irrigation and Power				
64	Ministry of Irrigation and Power Voted.	24,36	24,36	24,03	General Administration.
65	Multi-purpose River Schemes Voted	2,23,72	2,23,72	1,63,49	Multi-purpose River Schemes.
66	Miscellaneous Departments and Other Expenditure under the Ministry of Irrigation and Power Voted	1,84,93	1,87,43	2,49,52	Distributed over respective heads of Account.
	Ministry of Labour and Employment				
67	Ministry of Labour and Employment. Voted	20,61	20,61	25,37	General Administration.
68	Chief Inspector of Mines. Voted.	25,02	18,82	23,11	Scientific Departments.
69	Labour and Employment Voted	..	..	5,80,53	Labour and Employment.
70	Miscellaneous Departments and Other Expenditure under the Ministry of Labour and Employment. Voted	11,34,09	9,43,68	1,05	Distributed over respective heads of Account.
	Ministry of Law				
71	Ministry of Law Voted	27,89	27,97	37,87	General Administration.
72	Elections Voted.	97,00	96,77	28,45	General Administration.
73	Miscellaneous Expenditure under the Ministry of Law Voted.	..	2,02	1,39	Miscellaneous.
	Ministry of Rehabilitation				
74	Ministry of Rehabilitation. Voted.	33,71	32,17	27,63	General Administration.
75	Expenditure on Displaced Persons and Minorities Voted	20,28,17	20,28,17	11,27,71	Miscellaneous.
	Charged	*4*	*15*	*8*	
	TOTAL	20,28,21	20,28,32	11,27,79	
	TOTAL—CARRIED OVER Voted	7,20,41,23	6,99,28,29	7,66,07,41	
	Charged	*3,30,60,07*	*3,28,53,54*	*3,46,07,16*	
	TOTAL	10,51,01,30	10,27,81,83	11,12,14,57	

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)		Budget Estimates, 1960-61 (3)	Revised Estimates, 1960-61 (4)	Budget Estimates, 1961-62 (5)	Head of Account (6)
TOTAL—BROUGHT FORWARD		Voted .	7,20,41,23	6,99,28,29	7,66,07,41	
		Charged .	*3,30,60,07*	*3,28,53,54*	*3,46,07,16*	
	TOTAL . .		10,51,01,30	10,27,81,83	11,12,14,57	
	Ministry of Scientific Research and Cultural Affairs					
76	Ministry of Scientific Research and Cultural Affairs.	Voted .	33,75	31,91	34,39	General Administration.
77	Archaeology	Voted .	1,22,05	1,12,81	1,32,60	Scientific Departments.
78	Survey of India	Voted.	1,99,17	1,94,73	1,98,16	
79	Botanical Survey	Voted	17,27	17,00	25,03	Scientific Department.
80	Zoological Survey.	.	12,59	11,39	16,66	
81	Scientific Research and Cultural Affairs	Voted	17,06,04	15,96,78	20,06,29	Scientific Departments and Education.
82	Miscellaneous Departments and Expenditure under the Ministry of Scientific Research and Cultural Affairs	Voted. .	40,89	40,89	55,82	Miscellaneous Departments and Miscellaneous.
	Ministry of Steel, Mines and Fuel					
83	Ministry of Steel, Mines and Fuel.	Voted . .	40,41	40,81	39,80	General Administration.
84	Geological Survey	Voted. .	1,99,33	1,94,40	3,17,18	Scientific Departments.
85	Miscellaneous Departments and Other Expenditure under the Ministry of Steel, Mines and Fuel	Voted. .	44,05,57	51,87,66	40,57,65	Miscellaneous Departments and Miscellaneous.
	Ministry of Transport and Communications					
86	Ministry of Transport and Communications	Voted .	59,61	66,79	69,95	General Administration.
87	Indian Posts and Telegraphs Department (including Working expenses)	Voted .	71,62,93	71,02,83	74,92,68	Posts and Telegraphs.
		Charged .	*5*	*41*	*60*	
	TOTAL . .		71,62,98	71,03,24	74,93,28	
88	Posts and Telegraphs Dividend to General Revenues and Appropriations to Reserve Funds	Voted . .	8,83,99	11,32,29	11,56,77	
TOTAL—CARRIED OVER		Voted. .	8,69,24,83	8,56,58,58	9,22,10,39	
		Charged .	*3,30,60,12*	*3,28,53,95*	*3,46,07,76*	
	TOTAL . . .		11,99,84,95	11,85,12,53	12,68,18,15	

(Amount in thousands of Rs.)

No. of Demand	Service, Administration or Area to which Demand relates	Budget Estimates, 1960-61	Revised Estimates, 1960-61	Budget Estimates, 1961-62	Head of Account
(1)	(2)	(3)	(4)	(5)	(6)
	TOTAL—BROUGHT FORWARD Voted	8,69,24,83	8,56,58,58	9,22,10,39	
	Charged	*3,30,60,12*	*3,28,53,95*	*3,46,07,76*	
	TOTAL . .	11,99,84,95	11,85,12,53	12,68,18,15	
89	Mercantile Marine Voted	68,90	69,01	76,34	Mercantile Marine.
90	Lighthouses and Lightships Voted. .	1,50,07	1,48,56	1,50,55	Lighthouses and Lightships.
91	Meteorology Voted .	1,85,29	1,82,83	2,00,09	Scientific Departments.
92	Overseas Communications Service Voted .	1,28,84	1,22,18	1,84,85	Industries and Supplies.
	Charged	*9,09*	*8,48*	..	
	TOTAL . .	1,37,93	1,30,66	1,84,85	
93	Aviation Voted .	6,94,20	6,68,85	6,58,94	Aviation.
94	Central Road Fund Voted .	10,66,00	9,67,21	4,36,40	Civil Works.
95	Communications (including National Highways) Voted. .	7,49,00	7,68,00	6,52,00	Civil Works.
96	Miscellaneous Departments and Other Expenditure under the Ministry of Transport and Communications Voted. .	2,76,33	2,76,14	2,77,36	Distributed over respective heads of Account.
	Ministry of Works, Housing and Supply				
97	Ministry of Works, Housing and Supply Voted	64,58	64,34	64,94	General Administration.
98	Supplies Voted .	2,95,62	3,03,66	3,08,55	Industries and Supplies.
99	Other Civil Works .				
	Voted. .	28,16,32	32,96,09	33,23,35	Civil Works.
	Charged .	*28,11*	*28,57*	*27,90*	
	TOTAL . .	28,44,43	33,24,66	33,51,25	
	TOTAL—CARRIED OVER Voted	9,34,19,98	9,25,25,45	9,85,43,76	
	Charged .	*3,30,97,32*	*3,28,91,00*	*3,46,35,66*	
	TOTAL . .	12,65,17,30	12,54,16,45	13,31,79,42	

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)	Budget Estimates, 1960-61 (3)	Revised Estimates, 1960-61 (4)	Budget Estimates, 1961-62 (5)	Head of Account (6)
	TOTAL—BROUGHT FORWARD Voted	9,34,19,98	9,25,25,45	9,85,43,76	
	Charged	*3,30,97,32*	*3,28,91,00*	*3,46,35,66*	
	TOTAL	12,65,17,30	12,54,16,45	13,31,79,42	
100	Stationery and Printing Voted	7,90,54	8,58,54	8,93,57	Stationery and Printing.
101	Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply Voted	1,58,34	1,46,83	66,45	Miscellaneous Departments and Miscellaneous.
	Department of Atomic Energy				
102	Department of Atomic Energy Voted	16,30	16,30	16,43	General Administration.
103	Atomic Energy Research Voted	5,41,81	5,18,76	5,85,60	Scientific Departments.
	Department of Parliamentary Affairs				
104	Department of Parliamentary Affairs Voted	2,59	2,36	2,56	General Administration.
	Parliament, Secretariats of the President and Vice President and Union Public Service Commission				
105	Lok Sabha Voted	1,03,55	98,16	98,89	General Administration.
	Charged	*67*	*62*	*67*	
	TOTAL	1,04,22	98,78	99,56	
106	Miscellaneous Expenditure under Lok Sabha. Voted	41	41	42	Miscellaneous.
107	Rajya Sabha Voted	37,24	35,54	38,02	General Administration.
	Charged.	*67*	*64*	*67*	
	TOTAL	37,91	36,18	38,69	
	TOTAL—CARRIED OVER Voted	9,50,70,76	9,42,02,35	10,02,45,70	
	Charged	*3,30,98,66*	*3,28,92,26*	*3,46,37,00*	
	TOTAL	12,81,69,42	12,70,94,61	13,48,82,70	

(Amount in thousands of Rs.)

No. of Demand	Service, Administration or Area to which Demand relates	Budget Estimates, 1960-61	Revised Estimates, 1960-61	Budget Estimates, 1961-62	Head of Account
(1)	(2)	(3)	(4)	(5)	(6)
	TOTAL—BROUGHT FORWARD Voted	9,50,70,76	9,42,02,35	10,02,45,70	
	Charged	*3,30,98,66*	*3,28,92,26*	*3,46,37,00*	
	TOTAL	12,81,69,42	12,70,94,61	13,48,82,70	
	Staff, House-hold and Allowances of the President				
	Charged	*24,91*	*24,91*	*26,83*	General Administration.
108	Secretariat of the Vice President. Voted	73	57	71	General Administration.
	Union Public Service Commission.				
	Charged	*45,66*	*43,01*	*46,71*	General Administration.
	TOTAL Voted.	9,50,71,49	9,42,02,92	10,02,46,41	
	TOTAL *Charged*	*3,31,69,23*	*3,29,60,18*	*3,47,10,54*	
	TOTAL—I. Expenditure met from Revenue (a)	12,82,40,72	12,71,63,10	13,49,56,95	
	(a) Expenditure shown in the Budget Statement	11,02,69,49	10,78,22,94	11,66,50,44	
	Add—Posts and Telegraphs—Working Expenses.	66,56,01	65,57,71	69,43,23	
	Electricity Schemes—Working Expenses	16,19	17,61	20,82	
	Road Transport Schemes—Working Expenses	79,84	85,86	86,64	
	Amount of recoveries shown in reduction of expenditure	2,04,83,92	2,15,25,70	2,22,82,67	
		13,75,05,45	13,60,09,82	14,59,83,80	
	Deduct—Railway Expenditure	—92,64,73	—88,46,72	—1,10,26,85	
	TOTAL	12,82,40,72	12,71,63,10	13,49,56,95	

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)	Budget Estimates, 1960-61 (3)	Revised Estimates, 1960-61 (4)	Budget Estimates, 1961-62 (5)	Head of Account (6)
	II. EXPENDITURE MET FROM CAPITAL AND DISBURSEMENT OF LOANS AND ADVANCES :				
	Ministry of Commerce and Industry				
109	Capital Outlay of the Ministry of Commerce and Industry				
	Voted .	25,61,36	24,37,55	26,66,50	Distributed over respective heads of Account.
	Ministry of Community Development and Co-operation				
110	Capital Outlay of the Ministry of Community Development and Co-operation.				
	Voted. .	5,15,00	5,15,64	5,41,14	Distributed over respective heads of Account.
	Ministry of Defence				
111	Defence Capital Outlay				
	Voted. .	39,60,00	37,30,95	32,96,60	
	Charged .	*4,00*	*4,00*	*4,00*	Defence Capital
	TOTAL . . .	39,64,00	37,34,95	33,00,60	Outlay.
	Ministry of Education				
112	Capital Outlay of the Ministry of Education				
	Voted. .	22,81	17,44	18,10	Distributed over respective heads of Account.
	Ministry of External Affairs				
113	Capital Outlay of the Ministry of External Affairs. Voted .	85,71	80,39	88,32	Capital Outlay on Schemes of Government Trading.
	Ministry of Finance				
114	Capital Outlay on the India Security Press.				
	Voted. .	13,34	10,95	32,58	Capital Outlay on the India Security Press.
115	Capital Outlay on Currency and Coinage				
	Voted .	5,50,72	9,13,07	10,27,91	Currency Capital account outside the Revenue Account.
116	Capital Outlay on Mints				
	Voted .	10,15	11,63	6,91	Capital Outlay on Mints.
117	Commuted Value of Pensions. . .				
	Voted. .	42,50	65,09	1,48,55	Payments of Commuted Value of Pensions.
	Charged	*3,50*	*1,36*	*1,45*	
	TOTAL . .	46,00	66,45	1,50,00	
	TOTAL—CARRIED OVER				
	Voted .	77,61,59	77,82,71	78,26,61	
	Charged .	*7,50*	*5,36*	*5,45*	
	TOTAL . .	77,69,09	77,88,07	78,32,06	

(Amount in thousands of Rs.)

No. of Demand	Service, Administration or Area to which Demand relates	Budget Estimates, 1960-61	Revised Estimates, 1960-61	Budget Estimates, 1961-62	Head of Account
(1)	(2)	(3)	(4)	(5)	(6)
	TOTAL—BROUGHT FORWARD				
	Voted .	77,61,59	77,82,71	78,26,61	
	Charged .	*7,50*	*5,36*	*5,45*	
	TOTAL . . .	77,69,09	77,88,07	78,32,06	
118	Other Capital Outlay of the Ministry of Finance.				
	Voted .	79,09,22	79,04,59	81,46,46	Distributed over respective heads of Account.
119	Capital Outlay on Grants to States for Development				Capital Outlay on Grants to States for Development.
	Voted .	..	..	17,16,00	
120	Loans and Advances by the Central Government.				
	Voted. .	1,83,74,30	1,74,36,94	1,70,60,29	Loans and Advances by the Central Government.
	Charged .	*3,47,57,19*	*3,56,07,19*	*4,09,21,65*	
	TOTAL . . .	5,31,31,49	5,30,44,13	5,79,81,94	
	Repayment of Debt.				
	Charged .	*53,27,45,42*	*49,69,74,39*	*52,20,00,78*	
	Ministry of Food and Agriculture				
121	Capital Outlay on Forests				
	Voted. .	5,62	5,47	5,80	Capital Outlay on Forests.
122	Purchase of Foodgrains .				
	Voted. .	2,07,09,18	2,43,09,18	2,15,32,38	Capital Outlay on Schemes of Government trading.
	Charged	*2,00*	*1,00*	*1,00*	
	TOTAL	2,07,11,18	2,43,10,18	2,15,33,38	
123	Other Capital Outlay of the Ministry of Food and Agriculture. .				
	Voted. .	45,54,52	41,18,02	53,39,40	Distributed Over respective heads of Account.
	Charged .	*25*	*35*	*25*	
	TOTAL . . .	45,54,77	41,18,37	53,39,65	
	TOTAL—CARRIED OVER.				
	Voted .	5,93,14,43	6,15,56,91	6,16,26,94	
	Charged .	*56,75,12,36*	*53,25,88,29*	*56,29,29,13*	
	TOTAL . .	62,68,26,79	59,41,45,20	62,45,56,07	

(Amount in thousands of Rs.)

No. of Demand	Service, Administration or Area to which Demand relates	Budget Estimates, 1960-61	Revised Estimates, 1960-61	Budget Estimates, 1961-62	Head of Account
(1)	(2)	(3)	(4)	(5)	(6)
	TOTAL—BROUGHT FORWARD :				
	Voted .	5,93,14,43	6,15,56,91	6,16,26,94	
	Charged .	*56,75,12,36*	*53,25,88,29*	*56,29,29,13*	
	TOTAL . . .	62,68,26,79	59,41,45,20	62,45,56,07	
	Ministry of Health				
124	Capital Outlay of the Ministry of Health.				
	Voted .	18,68,28	18,69,27	12,64,53	Capital Outlay on Schemes of Government Trading.
	Ministry of Home Affairs				
125	Capital Outlay of the Ministry of Home Affairs				
	Voted .	88,56	29,58	92,32	Capital Outlay on Schemes of Government Trading.
	Ministry of Information and Broadcasting				
126	Capital Outlay of the Ministry of Information and Broadcasting.				
	Voted .	1,79,25	1,79,25	4,94,00	Capital Outlay on Broadcasting.
	Ministry of Irrigation and Power				
127	Capital Outlay on Multi-purpose River Schemes				
	Voted .	2,70,21	1,09,38	3,34,75	Capital Outlay on Multi-purpose River Schemes.
128	Other Capital Outlay of the Ministry of Irrigation and Power.				
	Voted .	3,24,08	11,51,55	12,29,18	Distributed over respective heads of Account.
	TOTAL—CARRIED OVER				
	Voted .	6,20,44,81	6,48,95,94	6,50,41,72	
	Charged .	*56,75,12,36*	*53,25,88,29*	*56,29,29,13*	
	TOTAL . . .	62,95,57,17	59,74,84,23	62,79,70,85	

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)	Budget Estimates, 1960-61 (3)	Revised Estimates, 1960-61 (4)	Budget Estimates, 1961-62 (5)	Head of Account (6)
	TOTAL—BROUGHT FORWARD :				
	Voted .	6,20,44,81	6,48,95,94	6,50,41,72	
	Charged .	*56,75,12,36*	*53,25,88,29*	*56,29,29,13*	
	TOTAL . .	62,95,57,17	59,74,84,23	62,79,70,85	
	Ministry of Labour and Employment				
129	Capital Outlay of the Ministry of Labour and Employment				
	Voted . .	2,23	1,23	7,88	Capital Outlay on Schemes of Government Trading.
	Ministry of Rehabilitation				
130	Capital Outly of the Ministry of Rehabilitation.				
	Voted . .	22,17,25	15,52,50	16,90,00	Capital Outlay on Industrial Development.
	Charged . .	..	*4,36*	..	
	TOTAL .	22,17,25	15,56,86	16,90,00	
	Ministry of Scientific Research & Cultural Affairs				
131	Capital Outlay of the Ministry of Scientific Research and Cultural Affairs.				
	Voted . .	3,00,67	2,54,58	4,00,77	Capital Outlay on Schemes of Government Trading.
	Ministry of Steel, Mines and Fuel				
132	Capital Outlay of the Ministry of Steel, Mines and Fuel.				
	Voted . .	64,50,32	68,60,48	78,72,99	Distributed Over respective heads of Account.
	Ministry of Transport and Communications				
133	Capital Outlay on Indian Posts and Telegraphs (not met from Revenue)				
	Voted . .	23,56,70	19,79,70	20,39,28	Capital Outlay on Posts and Telegraphs.
134	Capital Outlay on Civil Aviation.				
	Voted . .	4,59,60	4,57,88	4,35,91	Capital Outlay on Civil Aviation.
	Charged .	*1,00*	*1,00*	*50*	
	TOTAL .	4,60,60	4,58,88	4,36,41	
	TOTAL—CARRIED OVER				
	Voted . .	7,38,31,58	7,60,02,31	7,74,88,55	
	Charged .	*56,75,13,36*	*53,25,93,65*	*56,29,29,63*	
	TOTAL . .	64,13,44,94	60,85,95,96	64,04,18,18	

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Aera to which Demand relates (2)	Budget Estimates, 1960-61 (3)	Revised Estimates, 1960-61 (4)	Budget Estimates, 1961-62 (5)	Head of Account (6)
	TOTAL—BROUGHT FORWARD :				
	Voted . .	7,38,31,58	7,60,02,31	7,74,88,55	
	Charged .	*56,75,13,36*	*53,25,93,65*	*56,29,29,63*	
	TOTAL . .	64,13,44,94	60,85,95,96	64,04,18,18	
135	Capital Outlay on Ports				
	Voted . .	2,90,22	2,42,61	2,88,50	Capital Outlay on Ports.
136	Capital Outlay on Roads				
	Voted . .	20,00,00	31,50,00	32,17,00	Capital Outlay on Roads.
	Charged .	..	..	*9*	
	TOTAL	20 00,00	31,50,00	32,17,09	
137	Other Capital Outlay of the Ministry of Transport and Communications.				
	Voted . .	10,63,47	12,65,66	13,42,69	Distributed over respective heads of Account.
	Ministry of Works, Housing and Supply				
138	Delhi Capital Outlay.				
	Voted . .	6,85,88	6,85,88	12,21,29	Delhi Capital Outlay.
	Charged .	*9,53*	*9,53*	*8,71*	
	TOTAL . .	6,95,41	6,95,41	12,30,00	
139	Capital Outlay on Buildings.				
	Voted .	9,83,84	9,83,84	9,69,00	Capital Account of civil works outside the Revenue Account.
	Charged .	*4,75*	*4,75*	*1,00*	
	TOTAL . .	9,88,59	9,88,59	9,70,00	
140	Other Capital Outlay of the Ministry of Works, Housing and Supply.				
	Voted .	7,04,16	7,04,16	2,36,96	Distributed over respective heads of Account.
	Charged .	*13*	*13*	..	
	TOTAL . .	7,04,29	7,04,29	2,36,96	
	Department of Atomic Energy				
141	Capital Outlay of the Department of Atomic Energy				
	Voted . .	5,29,88	4,00,94	5,45,99	Distributed over respective heads of Account.
	Payment to Retrenched Personnel				
	Voted . .	4	9	..	Payments to Retrenched Personnel.
	TOTAL—II—EXPENDITURE MET FROM CAPITAL, ETC.				
	Voted . .	8,00,89,07	8,34,35,49	8,53,09,98	
	Charged .	*56,75,27,77*	*53,26,08,06*	*56,29,39,43*	
	TOTAL . .	64,76,16,84	61,60,43,55	64,82,49,41	
	GRAND TOTAL I & II				
	Voted . .	17,51,60,56	17,76,38,41	18,55,56,39	
	Charged .	*60,06,97,00*	*56,55,68,24*	*59,76,49,97*	
	TOTAL . .	77,58,57,56	74,32,06,65	78,32,06,36	

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GOVERNMENT OF INDIA

MEMORANDUM EXPLAINING THE PROVISIONS IN THE FINANCE BILL, 1961.

(Clauses referred to are clauses in the Bill)

ISSUED BY THE MINISTRY OF FINANCE (DEPARTMENT OF REVENUE)

INCOME-TAX AND SUPER TAX

I. Rates of tax for financial year 1961-62

1. Non-company assessees:

It is proposed that the rates of income-tax and super-tax in force for the financial year 1960-61 be continued for the financial year 1961-62 except that the rate of surcharge payable in respect of earned income exceeding Rs. 1 lakh be increased from 5 per cent to 10 per cent of the income-tax and super-tax.

/Clause 2, Parts I and II of First Schedule./

2. Companies:

Income-tax: No change is proposed to be made in the existing rate of income-tax, i.e., 20 per cent.

Super-tax: The basic rate of 55 per cent subject to rebates, depending on certain circumstances relating to each company, will continue. The effective rates applicable to companies (which do not make bonus issues) will also remain the same as for the financial year 1960-61 except in respect of dividends and certain royalties. At present, on dividends received by a company (Indian or foreign) from an Indian subsidiary, super-tax is charged at 10 per cent. On dividends received from any Indian company (other than a subsidiary) formed and registered on or after 1.4.1959, super-tax is charged at 15 per cent on an Indian company in which the public are substantially interested and whose total income does not exceed Rs.25,000/-; at 20 per cent on any other Indian company and at 33 per cent on a foreign company which does not declare dividends in India. On dividends received from an Indian company (other than a subsidiary) formed and registered before 1.4.1959, super-tax is payable at the rate applicable to the other income of the company, i.e., at the rate of 20 per cent, 25 per cent and 43 per cent respectively in the case of the three classes of companies mentioned above. For the financial year 1961-62, the super-tax rate for dividends received by any company (Indian or foreign) from any Indian company formed and registered before 1.4.1961 will remain the same as for the financial year 1960-61. It is now proposed (subject to a single exception) to fix a uniform rate of 20 per cent for super-tax on dividends received by all companies (Indian or foreign), from Indian companies (whether they be subsidiaries or not) formed and registered on or after 1.4.1961. The exceptional case is that of an Indian company in which the public are substantially interested and whose total income does not exceed Rs.25,000/-. In the case of such a company, the super-tax on the dividends received from an Indian company formed and registered on or after 1.4.1961 is proposed to be fixed at the same rate of 15 per cent which was applicable to dividends received from companies formed and registered on or after 1.4.1959.

The effective rates of super-tax payable on dividends received by various companies are summarised in the table below:-

Dividends received from	Rates applicable to companies which have made the prescribed arrangements for declaration and payment of dividends in India.		Rates applicable to companies which have not made the said prescribed arrangements.
	Companies in which public are substantially interested and whose total income does not exceed Rs.25,000/-.	Other companies	
1	2	3	4
1. A subsidiary Indian company formed and registered before 1.4.1961	10	10	10
2. An Indian company, other than a subsidiary, formed and registered on or after 1.4.1959 but before 1.4.1961.	15	20	33
3. An Indian company, other than a subsidiary, formed and registered before 1.4.1959.	20	25	43
4. Any Indian company formed and registered on or after 1.4.1961.	15	20	20

The effective rate of super-tax on royalties received by a foreign company (which does not declare dividends in India) from an Indian concern in pursuance of an agreement made with the Indian concern on or after 1.4.1961 and which has been approved by the Central Government, is proposed to be fixed at 30 per cent instead of the present rate of 43 per cent.

The effective rate at which super-tax is payable with reference to bonus shares is proposed to be reduced from 30 per cent to 12½ per cent.

/Clause 2, Parts I and II of First Schedule/

II. Rates for deduction of tax at source from interest on securities etc.

There is no change in the rates for deduction of tax at source during 1961-62 except that in the case dividends and certain royalties payable to such foreign companies as

do not declare their dividends in India, changes have been made for this purpose corresponding to the changes made in the effective rates of tax applicable to such companies for assessment. The proposed rates for deduction of tax at source in the case of such foreign companies are summarised in the following statement:

Rates for deduction of tax at source from incomes of foreign companies which do not declare dividends in India.

	Proposed rates		
	I.T.	S.T.	Total
1. On interest on any security of the Central Government issued or declared to be income-tax free.	--	43	43
2. On dividends from an Indian company referred to in section 56A of the Income-tax Act.	20	--	20
3. On dividends from a subsidiary Indian company formed and registered before 1.4.1961.	20	10	30
4. On dividends from an Indian company, not being a subsidiary, formed and registered on or after 1.4.1959 but before 1.4.1961.	20	33	53
5. On dividends from an Indian company, not being a subsidiary, formed and registered before 1.4.1959	20	43	63
6. On dividends from any Indian company formed and registered on or after 1.4.1961.	20	20	40
7. On royalties received from an Indian concern in pursuance of an agreement made with it on or after 1.4.1961 which has been approved by the Central Government.	20	30	50
8. On any other income.	20	43	63

/Clause 2, Part III of First Schedule/

III. Amendments to the Indian Income Tax Act, 1922.

1. Sports associations, etc.: It is proposed to exempt from payment of tax the income of an association or institution established in India solely for the purpose of controlling, supervising, regulating or encouraging in India the games of cricket, hockey, football, tennis and such other games and sports as may be specified by the Central Government from time to time in the official Gazette, provided the association or institution is approved by the Central Government for this purpose and satisfies certain specified conditions.

/Clause 3, sub-clause (i)/

2. Foreign technicians: At present, a foreign technician whose contract of service has been approved by the Central Government before the commencement of his service in India is exempt from tax in respect of salaries received by him for the financial year of his arrival in India and the two subsequent financial years. Depending on the time of his arrival in India, the exemption can thus apply for a period of 24 to 36 months. It is proposed that the exemption be available for a period of 36 months from the date of arrival in all such cases and also that if for a further period not exceeding 24 months, the tax in respect of his salary is paid to the Central Government by his employer, such tax shall not be treated as a part of the technician's total income.

/Clause 3, sub-clause (ii)/

3. New residential buildings: In respect of new buildings constructed after the 31st March, 1961, for being let out to tenants, it is proposed that the annual value of each residential unit comprised in the building should be reduced by the amount of the annual value or Rs.600/-, whichever is less, for a period of three years from the completion of the building.

/Clause 5/

4. Residential quarters built for low paid employees: It is proposed to allow an initial depreciation allowance of 20 per cent of the actual cost in respect of buildings erected by an employer after the 31st March, 1961, solely for the residence of persons employed by him and receiving remuneration not exceeding Rs.200 per month. This allowance will be admissible in respect of the previous year in which a building is erected. It will not be taken into account for determining the written down value though it will be taken into account for seeing that the aggregate of all depreciation allowances in respect of any building does not exceed the original cost of the building.

/Clause 6, sub-clause (i)/

5. Development rebate: It is proposed that in respect of new plant or machinery installed on or after the 1st April, 1961, the development rebate shall be admissible at the reduced rate of 20 per cent of the actual cost thereof. New ships acquired on or after the said date will, however, continue to get the development rebate at the same rate as heretobefore, i.e., 40 per cent.

/Clause 6, sub-clause (ii)/

It is further proposed that where, subject to certain conditions, a company is amalgamated with another company or where a firm is converted into a private company and machinery or plant on which development rebate is admissible to the predecessor is transferred by the predecessor to the successor, the development rebate already allowed to the predecessor will not be withdrawn and any unutilised portion of the development rebate will be available to the successor. The rights, liabilities and obligations of the predecessor in respect of such development rebate have thus been transferred to the successor.

/Clause 6, sub-clause (iii) and Clause 9/

6. Appropriations to reserves in the case of a financial corporation: At present, any amount appropriated to a reserve account is not admissible as a deduction while computing the taxable profits. It is now proposed that in the case of an approved financial corporation engaged in providing long term finance for financial development in

ndia, an amount not exceeding 10 per cent of the total income may be allowed as a leduction if appropriated to a special reserve account. No such deduction will be allowed when the aggregate of the amounts carried to the reserve account from time to time equals the paid-up capital of the institution. For this purpose, amounts capitalised from reserves will be excluded from the paid-up capital.

/Clause 6, sub-clause (iv)/

7. Entertainment expenses: It is proposed to provide that no allowance on account of entertainment expenses will be made in the case of an assessee other than a company and that in the case of companies, the amount allowable on this account will be restricted to certain specified limits depending upon the amount of profits of the business. In effect, no company will be allowed a deduction of an amount exceeding Rs.1,00,000/- on this account.

/Clause 6, sub-clause (v)/

8. Tax holiday for new hotels: It is proposed that the benefit of the five-year tax holiday at present enjoyed by new industrial undertakings under section 15C of the Income-tax Act be extended to new hotels run by companies and which start functioning on or after the 1st April, 1961, and satisfy certain conditions. The exemption will be available for the previous year in which the hotel starts functioning and the following four previous years. Dividends paid out of such exempt profits will also be exempt in in the hands of shareholders.

/Clause 7/

IV. Other amendments to the Income-tax Act

A few other amendments have also been proposed in the Income-tax Act. The purpose underlying these amendments is explained in the Notes on Clauses appended to the Finance Bill.

CUSTOMS

The proposals in the Bill include the raising of the rates of duty on 41 items and sub-items of the Tariff. Some changes have also been proposed consequential on the imposition of Central Excise duties on certain articles. A countervailing duty equal to the excise duty is being imposed on each of these articles, so that the indigenous producers may not be placed at a disadvantage in comparison with the importers. Details of those proposals which are expected to yield an additional revenue of Rs. 10 lakhs or over as a result of changes in basic Customs duties are given in Table I.

The total additional revenue per annum as a result of all the increases in Customs duty proposed in the Finance Bill (leaving out countervailing duties) is expected to be about Rs.16.57 crores. This would be increased by about Rs. 2.38 crores as a result of the modification of the existing concessional rates of duty on newsprint and certain items of machinery and component parts. As against this should be set off a loss of about Rs.2 crores per annum as a result of the reduction of export duty on tea. (Details of the important changes being made by notifications are given in Table II.) The additional revenue from countervailing duties (on existing as well as new excises) would be about Rs. 12.32 crores per annum. Details of those proposals which are expected to yield an additional revenue of Rs. 10 lakhs or over by way of countervailing duty are given in Table III. The net additional revenue taking all the proposals into account is expected to be about Rs. 29.27 crores per annum.

TABLE I

Details of proposals which are expected to yield an additional revenue of Rs. 10 lakhs or over as a result of changes in basic Customs duties.

S. No.	Reference in the second schedule to the Bill (Pt. and sub-item No.)	Item in the tariff schedule.	Brief description of the article.	Present rate of duty.		Proposed rate of duty.		Additional annual revenue expected (in lakhs Rupees to the nearest lakh)
				Standard rate of duty.	Preferential rate of duty, if any.	Standard rate of duty.	Preferential rate of duty, if any.	
1.	2.	3	4	5	6	7	8	9
1	I. (i)	8(2)	Fruits dried (Salted and all other kinds) not otherwise specified	45% ad valorem	35% ad valorem	50% ad valorem	40% ad valorem	17
2	I. (ii)	9(3)	Cardamoms, Cassia, Cinnamon, Cloves, Nutmegs & Pepper	82½% ad valorem	75% ad valorem	100% ad valorem	92½% ad valorem	11
3	I(iii)	9(5)	Betelnuts	Rs. 2. 27 per Kg.	Rs. 2. 20 per Kg.	Rs. 3. 07 per Kg.	Rs. 3. 00 per Kg.	57
4	I(vi)	22(4)(a)	Brandy, Gin, Whisky, and other spirits.	Rs. 33. 00 per litre of the strength of London proof or 125% ad valorem whichever is higher.	-	Rs. 44. 00 per litre of the strength of London proof or 170% ad valorem whichever is higher.	-	16
5	I(viii)	24(3)	Tobacco unmanufactured	Rs. 22. 05 per Kg.	-	Rs. 33. 00 per Kg.	-	89
6	I(x)	28(3)	Sulphur	5%	-	10%	-	13
7	I(xii)	28(8)	Certain chemicals, drugs and medicines (mainly chemicals)	35%	-	50% plus excise duty in the case of glycerine	-	18 excluding countervailing duty.
8	I(xiii)	30	Paints, colours and painters' materials all sorts not otherwise specified	40% plus excise duty.	30% plus excise duty.	50% plus excise duty.	40% plus excise duty.	10
9.	I(x)	39	Rubber raw	5%	-	10%	-	32
0.	I(xvii)	44	Paper all sorts not otherwise specified	40% plus excise duty.	-	50% plus excise duty.	-	40
1	I(xviii)	53	Textile manufactures not otherwise specified.	50%	-	100%	-	68

1	2	3	4	5	6	7	8	9
12	II(iv)	63(14A)	High carbon steel strips of thickness .5 mm or below	25% (statutory) 10% (by notification)	15% (statutory) Nil (by notification)	50%	40%	13
13	I(xvi)	63(28)	All sorts of iron and steel and manufactures thereof not otherwise specified	35%	-	50%	-	105
14	I(xii)	66(b)	Aluminium manufactures, not otherwise specified	35%	-	50% plus excise duty where leviable.	-	30 (excluding countervailing duty).
15	I(xiv)	71(b)	Hardware.	50%	-	75%	-	31
16	I(xix)	72	Machinery not otherwise specified	10%	-	15%	-	300
17	I(xix)	72(1)	Textile machinery and apparatus	10%	-	15%	-	21
18	I(xix)	72(3)	Component parts of machinery as defined in item Nos. 72, 72(1) and 72(2)	10%	-	15%	-	250
19	I(xx)	73	Electrical instruments apparatus and appliances not otherwise specified	40%	30%	50%	40%	55
20	I(xxii)	74(2)	Railway material for permanent way and rolling stock.	20%	-	25%	-	46
21	I(xxii)	74(3)	Component parts of railway material.	20%	-	25%	-	47
22	I(xxiii)	75(1) & 75(19)	Motor cars including taxi cabs.	75% or Rs. 6,000 per car plus excise duty.	-	100% or Rs. 6,000 per car plus excise duty.	-	13
23	I(xx)	77	Instruments apparatus and appliances other than electrical all sorts not otherwise specified	40%	30%	50%	40%	45
24	I(xvi)	87	All other articles not otherwise specified.	40%	-	50%	-	243

TABLE II

List of some of the items in respect of which import duties are being readjusted by executive notification from 1st March, 1961.

S. No.	Item No. in the Customs Tariff Schedule	Brief description of the article.	Present effective rate of duty		Proposed effective rate of duty		Additional annual revenue expected (In Rs. lakh to the nearest lakh).	Remarks
			Standard rate of duty.	Preferential rate of duty, if any.	Standard rate of duty.	Preferential rate of duty, if any.		
1	2	3	4	5	6	7	8	9
1	Ex. 44	Printing paper containing not less than 70% mechanical wood pulp-						
		(i) Newsprint in reels, unglazed or machine finished.	Rs. 3. 10 per quintal	-	Rs. 7. 50 per quintal	-	38	The present ad valorem incidence of duty on newsprint comes to a little less than 5%. The revised rates will amount to about 10%
		(ii) Newsprint in reels, other sorts.	Rs. 3. 60 per quintal	-	Rs. 9. 00 per quintal			
		(iii) All sorts not in reels, excluding chrome, marble, flint, poster, stereo and art paper.	Rs. 4. 10 per quintal	-	Rs. 10. 30 per quintal			
2	Ex. 72, 72(3) and some other sub-items of item 72	Certain types of machinery and component parts thereof.	5%	-	10%	-	200	The duty on certain essential types of machinery, such as steel making machinery, machine tools, etc., was maintained by notification at 5% with the statutory rate at 10%. Now that the general statutory rate on machinery is proposed to be raised to 15%, the concessional rate is being correspondingly raised to 10% by suitably amending the relevant notification
3	Item No. 5 of Second Schedule (Export Tariff)	Tea	53 nP per Kilogram	-	44 nP per Kilogram	-	- 200 lakhs (loss of duty)	Reduction in export duty has been proposed as a measure of export promotion. The reduction has been given immediate effect by notification.

TABLE III

List of items in respect of which the additional revenue by way of countervailing duties is Rs. 10 lakhs or over.

Sl. No.	Reference in the Second Schedule (Pt. and sub-item number).	Item(s) in the tariff Schedule	Brief description of the article.	Additional revenue (in lakhs of rupees)	Remarks
1	2	3	4	5	6
1.	Provision for	27(4)(a)	Kerosene	480	
2.	countervailing	44, 44(4)	Paper and paper board	16	
3.	duty already exists.	46(6), 47(2)	Rayon and synthetic fibres and yarn	401	The duty on rayon yarn is being re-adjusted by executive notification.
4.	I. (xi)	28(4)	Soda ash	27	
5.	I.(xi)	28(34)	Caustic soda	56	
6.	I. (xi)	30(1), 30(13), 30(15) & 30(16)	Coal tar dyes	120	
7.	I(vi) I(vii) I(ix)	28A, 22(4)(b) and 22(5) (b)	Patent and proprietary medicines not containing alcohol.	16	These mainly fall under item 28A
8.	II(x)	82(6)(A) and 82(6) (B)	Plastics, all sorts and cellophane	37	
9.	II(v)	64(6)	Certain manufactures of copper and copper alloys.	11	
10.	II(vii)	72(41)	(i) Refrigerators and parts thereof. (ii) Air conditioning machinery, all sorts.	28	

The rate of the countervailing duty in each case is equal to the rate of Central Excise duty on like articles produced or manufactured in India.

CENTRAL EXCISES

I. Changes proposed in the Bill

(a) Coffee

Existing rate of duty	Rs. 41.35 per quintal
Proposed rate of duty	Rs. 55.0 " "
Estimated revenue	Rs. 38.0 lakhs

The proposal to increase the rate of duty on coffee by about 33 per cent is intended

to keep the incidence of duty on this commodity at more or less the same level as on "Tea" for which an average increase of 33 per cent in the rates is proposed by notification.

(b) Tobacco

/Clause 13(a)/

Tariff item No.	Unit	Existing Tariff rate	Existing Effective rate (by notification)	Proposed Tariff rate	Proposed Effective rate (by notification)	Estimated revenue
I. Unmanufactured tobacco						Rs. lakhs.
4I(1)	kg	From Rs.2.20 to Rs.16.50		Rs.2.50		218.0
(4)	kg	Rs.1.65		Rs.2.0		
(5)	kg	Rs.1.10	Rs.1.04	Rs.1.14		
(8)	kg	15 nP		22 nP		

There are two proposals, namely:—

(i) to replace the existing tariff for flue cured tobacco used in cigarettes by a single rate which is the weighted average of the existing rates. This proposal is intended to simplify the existing tariff;

(ii) to raise the duty on air cured tobacco for cigarettes, air cured tobacco in the form of whole leaf, rawa and stems of certain specifications and on stalks. The use of these varieties is increasing. In particular the tobacco in whole leaf form and rawa are now being used in admixture with higher rated tobacco. It is proposed to reduce the duty gap between the higher rated and the lower rated varieties, as well as to step up the rates on cigarette tobacco and stalks.

II. Manufactured tobacco

/Clauses 13(b)(1) and 15(c)(1)/

(1) Cigars & cheroots—

The existing tariff is proposed to be rationalised as below:—

Cigars & cheroots of which the value per 100 Exceeds	Does not exceed	Proposed rate of duty per 100 Under the Central Excise Act	Under the Additional duties of Excise (Goods of Special Importance) Act	Total duty burden
Rs.	Rs.	Rs.	Rs.	Rs.
i) 25.0	-	15.0	3.75	18.75
ii) 15.0	25.0	9.0	2.25	11.25
iii) 5.0	15.0	3.0	0.75	3.75
iv) 1.25	5.0	0.75	0.15	0.90

The proposal is intended for simplification. It has no revenue significance. The rate

(2) Cigarettes—

Cigarettes of which the value per 1000		Unit	Existing			Proposed		
Exceeds	Does not Exceed		Under the Central Excise Act	Under the Additional duties of Excise (Goods of Special Importance) Act	Total duty burden	Under the Central Excise Act	Under the Additional duties of Excise (Goods of Special Importance) Act	Total duty burden
Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(1) 50	-	Per	21.50	8.60	30.10	23.75	7.70	31.45
(2) 35	50	1000	19.00	7.60	26.60			
(3) 30	35		10.50	4.20	14.70	12.75	4.20	16.95
(4) 25	30		9.50	3.80	13.30	11.50	3.80	15.30

Estimated revenue: Rs. 40.00 lakhs

It is proposed to increase the rates of duty on the costly brands of cigarettes to counter-balance the relief these cigarettes will be getting due to the lowering of the duty on the tobacco content.

/Clauses 13(b)(2) & 15(c)(2)/

(c) Mineral Oils

	Unit	Existing rate of basic excise duty under the Central Excise & Salt Act	Proposed rate of basic excise duty under the Central Excise & Salt Act.	Estimated Additional revenue (Rs. lakhs)
1. Kerosene	Kilolitre (at 15°C)	Rs.64.20	Rs.95.55 Rs.64.20 (for inferior kerosene)	284.0
2. Diesel Oil (not otherwise specified)	Metric tonne	16% ad valorem + Rs. 63.95	16% ad valorem + Rs. 92.10	133.0

It is proposed to increase the rate of duty on Kerosene by Rs. 31.35 per kilolitre. There is shortage of kerosene in the country. Apart from yielding additional revenue the proposed increase may, therefore, tend to inhibit consumption and thus help in saving foreign exchange. The proposal to increase the rate of duty on diesel oil, not otherwise specified, besides being a revenue measure, is intended to check the tendency of using this oil as motor fuel in admixture with refined diesel oil.

The rates of additional excise duty under the Mineral Oils (Additional Duties of Excise and Customs) Act remain unchanged.

[Clauses 13(c)(d)]

(d) Vegetable Product

Unit	Existing	Proposed	Estimated revenue (Rs. lakhs)
Quintal	Rs. 17.20	Rs. 20.0	Rs. 80.0

It is proposed to increase the rate of duty by Rs. 2.80 per quintal.

[Clause 13(e)]

(e) Paints and Varnishes.

It is proposed as a revenue measure to increase the rate of duty on paints and varnishes by about 25 per cent. The rates have remained unchanged since this item was first brought under excise in 1955. The additional revenue estimated from the proposed increase is Rs. 30 lakhs.

[Clause 13(f)]

(f) Paper

	Unit	Existing rate of duty	Proposed rate of duty	Estimated revenue (Rs. lakhs)
(i) Blotting paper, toilet paper, coated board, paper and paper-board not otherwise specified etc., falling within sub-items (1), (9) and (10)	Kg.	33 nP	50 nP	
(ii) Cigarette tissue	Kg.	66 nP	Re. 1.00	
(iii) Packing and wrapping paper, duplex and triplex board and corrugated board falling within sub-items (4), (6), (7) and (8)	Kg.	22 nP	35 nP	237.00
(iv) Strawboard other than corrugated board	Kg.	11 nP	15 nP	

In view of the increasing demand of paper and the progress made by the industry, it is proposed to step up the rates as a revenue measure. However, the rate of duty on printing and writing paper is not proposed to be increased.

[Clause 13(i)]

(g) Matches

Existing rate of duty	57 nP for every 1000 matches or fraction thereof
Proposed rate of duty	65 nP for every 1000 matches or fraction thereof
Estimated revenue	Rs. 3 lakhs

With a view to encourage production of only one type of matches it is proposed to fix by notification concessional rates for matches packed in boxes of 50. These rates will be more or less in the same ratio as the existing rates for 60s. Further concession is proposed for small units using bamboo in making splints.

It is also proposed to introduce by notification slab rates so as to encourage normal development of factories.

[Clause 13(p)]

(h) Soda ash, Caustic soda, and Glycerine

	Proposed rate of duty	Estimated revenue (Rs. lakhs)
(1) Soda ash	Rs. 2.0 per quintal	18.80
(2) Caustic soda		
(i) if in solid form	Rs. 4.0 per quintal	27.60
(ii) if in lye	Rs. 4.0 per quintal on the basis of 100% strength	
(3) Glycerine	Rs. 17.0 per quintal	7.00
		53.40

These are new excises and are proposed as a revenue measure.

[Clause 13(g)]

(i) Dyes derived from coal tar

Proposed rate of duty	15% ad valorem
Estimated revenue	Rs. 67 lakhs

This is a new item proposed to be brought under excise as a revenue measure. The Dye industry has developed under protection.

[Clause 13(g)]

(j) Patent or Proprietary medicines

Proposed rate of duty	10% ad valorem
Estimated revenue	Rs. 20 lakhs

This is a revenue measure. Ayurvedic and Unani preparation will not be subjected to this levy.

[Clause 13(g)]

(k) Cosmetics and toilet preparations

Proposed rate of duty	25% ad valorem
Estimated revenue	Rs. 40 lakhs

Certain cosmetics and toilet preparations are proposed to be subjected to an excise duty. Small units manufacturing not more than 150 Kgms. per month are proposed to be exempted from duty in respect of the 50 kgs. cleared in a month.

[Clause 13(g)]

(l) Plastics and cellophane

	Proposed rate of duty	Estimated revenue (Rs. lakhs)
Plastics	20% ad valorem	40.0
Cellophane	20% ad valorem	10.0

These are new excises.

[Clause 13(h)]

(m) Cotton yarn and woollen yarn

	Proposed rate of duty	Estimated revenue (Rs. lakhs)
(1) Cotton twist, yarn and thread		
(i) of 35 counts or more	15 nP per kg.	520.0
(ii) of less than 35 counts	10 nP per kg.	
(2) Woollen yarn		35.0
(i) Worsted yarn	10% ad valorem	
(ii) Others	5% ad valorem	
		555.0

These are new excises. With the proposed duty on yarn, even hosiery and knitting wool will contribute something to the exchequer. To give relief to the common varieties of fabrics produced on handloom it is proposed to exempt cotton yarn of counts 11 to 40 if issued in hanks and woollen yarn made from shoddy wool.

[Clause 13(j)]

(n) Glass and glassware, and China and Porcelainware

An excise duty at rates varying from 5% to 15% ad valorem is proposed to be levied

workers are proposed to be exempted. It is also proposed to exempt glass bangles and glass beads from the duty.

Estimated revenue	Rs. lakhs.
(1) Glass and glassware	95.0
(2) China and porcelainware	65.0
	160.0

/ Clause 13 (k) /

(o) Copper and copper alloys, and zinc

Proposed rate of duty	
(i) Sheets and circles	Rs. 300 per metric tonne
(ii) Pipes and tubes	10% ad valorem

	Estimated revenue (Rs. lakhs)
(i) Copper and copper alloys	72.20
(ii) Zinc	7.50
	79.70

Aluminium was brought under excise last year. It is now proposed to levy excise duty on these two non-ferrous metals also.

/ Clause 13 (1) /

(p) Aluminium

To keep in line with copper and zinc it is proposed to put an excise duty on aluminium pipes and tubes also. The revenue expected is negligible.

/ Clause 13 (m) /

(q) Wireless receiving sets

Proposed rate of duty	20% ad valorem
Estimated revenue	Rs. 35 lakhs

This is a new excise. The tariff rate of duty will apply only to such sets the value of which exceeds Rs. 300 each. Sets valuing Rs. 150 to Rs. 300 are proposed to be exempted from half the duty. Complete exemption is proposed for sets whose value does not exceed Rs. 150 each.

/ Clause 13 (o) /

(r) Refrigerators and Airconditioning machinery

	Proposed rate of duty	Estimated revenue Rs. lakhs
(1) Refrigerators and parts thereof	20% ad valorem	28.00
(2) Air conditioning machinery	20% ad valorem	20.00

These are new excises proposed as a revenue measure.

/ Clause 13 (n) and (p) /

(s) Silk fabrics

An additional duty of excise under the Additional Duties of Excise (Goods of Special Importance) Act is proposed with the agreement of State Governments in lieu of sales-tax levied by them.

Proposed rate of duty	30 nP per square metre
Estimated revenue	Rs. 3 lakhs

/ Clause 15 (c) /

II Changes made by notification:

(t) Tea

As a measure of export promotion, it is proposed to reduce the export duty on tea by 9 nP per kg. It is also proposed to reduce the duty on package tea from 46 nP to 40 nP per kg. to relieve its present difficulties. To compensate the losses on these accounts it is proposed to increase the rates of duty as below:

Zone	Unit	Existing	Proposed
I	Kg	4.5 nP	10.0 nP
II	"	9 nP	15.0 nP
III A	"	18 nP	25.0 nP
IIIB	"	27 nP	35.0 nP

The net gain in the excise revenue is estimated to be Rs. 198 lakhs, all of which will go to make up the loss in export revenue.

(u) Rayon and synthetic fibre and yarn

	Unit	Effective rates		Estimated revenue Rs. lakhs.
		Existing	Proposed	
1. Rayon yarn	Kg			
i) below 75 deniers	"	Rs.1.80	Rs.3.00	
ii) 75 to 100 deniers	"	Rs.1.35	Rs. 2.25	169.00
iii) Above 100 deniers	"	90 nP	Rs.1.50	
2. Staple fibre	"	45 nP	75 nP	

(v) Cotton fabrics'

The proposals are -

(i) to raise the basic grey stage duty on Medium A fabrics from 7.2 nP to 9.0 nP per square metre;

(ii) to step the extra levies on processed fabrics by two-thirds of the existing rates;

(iii) to reduce the exemption of looms from 4 to 2; and

(iv) to reduce the number of slabs and readjust the rates of compounded levy in the case of powerlooms.

Estimated revenue	Rs. lakhs
on account of proposals (i) and (ii)	472.0
on account of proposals (iii) and (iv)	20.0
	492.0

Proposal (i) is intended to reduce the duty gap between 'Fine' and 'Medium A' with a view to stop the decline in the production of Fine fabrics. Proposal (ii) is a revenue measure. Proposals (iii) and (iv) are intended to stop deliberate fragmentation of manufacturing units.

(w) Woollen, silk and artsilk fabrics

To stop the misuse of the concession it is proposed to reduce the exemption limit from 4 to 1 loom in the case of woollen fabrics and to 2 looms in the case of silk and art silk fabrics. In the case of the two latter fabrics it is also proposed to revise the rates of compounded levy both in respect of the basic and the additional excise duties.

	Estimated revenue Rs. lakhs.
(1) Woollen fabrics	8.00
(2) Artsilk fabrics	25.00
(3) Silk fabrics	negligible
	33.00

(x) Cycle parts

It is proposed to liberalise the concession given to small manufacturers of cycle rims and fix slab rates for units manufacturing not more than 10 lakh rims in a year. It is estimated that revenue of Rs. 10 lakhs will have to be foregone on this account. This loss, however, has not been taken into account as it is expected to be made up by increased clearances.

ABSTRACT

Existing commodities

S.No.	Commodity	Estimated additional revenue		
		Centre's share	States' share	Total
1	2	3	4	5
		Rs. lakhs	Rs. lakhs	Rs. lakhs
1.	Coffee	28.50	9.50	38.00
2.	Tea	148.50	49.50	198.00
3.	Tobacco	193.95	64.65	258.60
4.	Kerosene	284.00	--	284.00
5.	Diesel Oil, not otherwise specified	133.00	--	133.00
6.	Vegetable Product	60.00	20.00	80.00
7.	Paints and Varnishes	30.00	--	30.00
8.	Paper	177.75	59.25	237.00
9.	Rayon and Synthetic fibres and yarn	169.00	--	169.00

1	2	3	4	5
10.	Cotton fabrics:			
	(a) Basic duty	492.00	--	492.00
	(b) Additional duty	--	5.00	5.00
11.	Silk fabrics; (Additional duty)	--	3.00	3.00
12.	Woollen fabrics:			
	(a) Basic duty	8.00	--	8.00
	(b) Additional duty	--	8.00	8.00
13.	Rayon and artificial silk fabrics:			
	(a) Basic duty	25.00	--	25.00
	(b) Additional duty	--	10.00	10.00
14.	Matches	2.25	0.75	3.00
		1751.95	229.65	1981.60

New Commodities

S.No.	Commodity	Estimated revenue Rs. lakhs	Remarks
1.	Soda ash	18.80	
2.	Caustic soda	27.60	
3.	Glycerine	7.00	
4.	Coal tar dyes	67.00	
5.	Cosmetics and toilet preparations	40.00	
6.	Patent or Proprietary medicines	20.00	
7.	Plastics	40.00	
8.	Cellophane	10.00	The entire revenue from the new commodities will accrue to the Central Government.
9.	Cotton twist, yarn and thread	520.00	
10.	Woollen yarn	35.00	
11.	Glass and glassware	95.00	
12.	China and porcelainware	65.00	
13.	Copper and copper alloys	72.20	
14.	Zinc	7.50	
15.	Air Conditioning machinery	20.00	
16.	Wireless receiving sets	35.00	
17.	Refrigerators and parts thereof	28.00	
	Total	1108.10	

SUMMARY

	Centre's share Rs. lakhs	States' share Rs. lakhs	Total Rs. lakhs
1. On account of increase in rates on existing commodities:			
(i) Basic duties	1752.0	204.0	1956.0
(ii) Additional duties	--	26.0	26.0
2. On account of proposed new imposts.	1108.0	--	1108.0
TOTAL	2860.0	230.0	3090.0